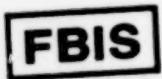


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4 February 1985

# USSR Report

CONSUMER GOODS AND DOMESTIC TRADE



FOREIGN BROADCAST INFORMATION SERVICE

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4 February 1985

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**CONSUMER GOODS AND DOMESTIC TRADE**

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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

BESSR DEPUTY TRADE MINISTER ON SATISFYING CONSUMER DEMAND

Minsk SOVETSKAYA BELORUSSIYA in Russian 15 Nov 84 p 2

[Article by N. Petruskevich, BeSSR deputy minister of trade, in the column "An Experiment: What it Proved": "The Reference Point--Consumer Demand"]

[Text] It will soon be 1 year since some ministries, including the BeSSR Ministry of Light Industry, have been working under conditions of an economic experiment. It was a period of quests and discoveries, a period of practical testing of the ideas and possibilities laid in the experiment. And since success in the activity of Minlegprom [Ministry of Light Industry] enterprises is directly reflected in trade indicators, the Mintorg [Ministry of Trade] of the republic could not help being the most interested party in the testing for "soundness" of the system of measures and incentives, which is known in one word as an experiment.

What was in it that attracted us?

Of course, above all, it was the fact that the basic activity appraising indicator of enterprises was not only the notorious "production volume" and the overall quantity of footwear, clothing and fabrics supplied to trade but also adherence to contractual commitments for the variety of these commodities. The responsibility of enterprises for production quality, on which the amount of withholding to the material incentive fund now depends, was raised. At the same time, the rights of enterprises in planning economic and production activity were expanded. These plans began to be developed on the basis of control indicators and consumer orders.

How did these levers and incentives work out? To what extent was fruitfulness of the changes felt by the customer?

It is best of all to show this in the example of specific enterprises. The results of the sewn goods purchase fair for 1984, which was held during the period of preparations for the experiment, were not very comforting for the Vitebsk Znamya Industrializatsii Sewing Factory. Owing to a sharp drop in demand, R6 million worth of men's woolen fabric overcoats were not sold.

Within a brief period of time, the enterprise has carried out a thorough reorganization of production and with assistance of related enterprises has radically

changed variety. Instead of woolen fabric overcoats, overcoats made of rain-coat material, artificial leather and fur were included in the production program. The collective did everything possible to provide products that were needed by the customer and overcame difficulties in marketing.

Responsibility for efficient fulfillment of planned shipments has noticeably increased. If in 1982, Minlegprom enterprises have failed to deliver a variety of goods valued at R11 million, then the volume in the sale of products with consideration of fulfillment of delivery commitments is being fulfilled by all enterprises of the sector in the current year. The plan for the output of basic kinds of production has been fulfilled for the entire products list, with a considerable increase in the share of commodities of highest category of quality and improved variety.

It will not be an exaggeration to say that a definite role in this was played by the strengthened contacts of both ministries in the study of demand. Small trial batches of new products are undergoing a "test run" in more than 20 trade name stores and sections. Information on which commodities are in a limited demand and of which, on the contrary, there is a shortage is being operationally reported by 54 informant-stores. Necessary measures are rapidly adopted on the basis of this information. Particular efficiency in solving these questions is being manifested by the following collectives of Brest enterprises: the outer wear factory, the sewing factory imeni Fomin and the stockings combine as well as the Minsk Komsomolka Sewing Production Association, the Mogilev Trial and Experimental Footwear Factory and the Mozyr Sewing Factory.

Much is also being gained in this respect by jointly and simultaneously conducting throughout the republic of sale exhibitions, review fairs and population polls. As an example I would like to mention the review fair of goods for youths, which was held in May this year at the Palace of Culture of the Minsk Worsted Goods Combine. Its goal was to study problem questions in developing variety of goods for young men and girls. In the early part of 1985, a store for the sale of clothing for youths will open in Minsk.

New elements have appeared in our relationship with industry. First of all, they are contacts which are based on mutual trust. Nine leading Minlegprom enterprises--the Minsk Komsomolka Sewing Production Association [PShO], the Brest and Mozyr sewing factories, the Lida and Mogilev footwear factories, the Orsha Flax Combine, the Minsk Worsted Goods Combine, the Brest Stockings Combine and the Minsk Leather Haberdashery Goods Factory--have been released from the control of quality by wholesale and retail organizations. Six enterprises are selling their production at fairs only according to volume, and form the variety according to models themselves. One of these enterprises--the Orsha Trial and Experimental Factory--has taken the following path: in the event the articles are not sold, they are returned to the manufacturer. This method makes workers of enterprises to think not only of volume but of quality of goods and their esthetic appearance. The result is evident: the sale of light industry commodities has increased considerably. If in 1982, the system of the Ministry of Trade of the republic had a surplus of BeSSR Minlegprom commodities valued at R12 million, then now there are practically none. Refusals by trade to accept purchased goods have been completely eliminated during the year.

But today we still cannot say that the measures being carried out under conditions of the economic experiment fully ensure satisfaction of the population's demand in the republic. Critical comments with regard to what is being produced by industry and offered by trade is the subject matter of many letters being received by us, the ministry and newspaper editorial offices. The problem of the "noncritical shortage" was discussed on the pages of SOVETSKAYA BELORUSSIYA for several months. In the course of the discussion a score of positions were named, on which our industry is still indebted to the customer.

It is not difficult to understand the mood of parents, who in their letters and calls to all levels of authority express indignation at the shortage of children's footwear. This is a very acute problem. It would seem that production plans are being fulfilled and all funds are obtained, but there is a shortage of footwear. All the same there is a reason. Despite the fact that orders for children's footwear by trade have not been satisfied, its production in the quantitative terms has virtually not increased over a period of many years.

We have proposed to the Minlegprom to somewhat reduce production of adult footwear so as to finally eliminate the acute shortage of children's footwear. This proposal was not rejected, but it is being analyzed too long. On the one hand, production workers can also be understood. Profitability of production will considerably decline with reduction of production of women's and men's footwear, and, as they say, nobody will pat you on the head for that. It all comes down to a more flexible planning from "above" and to selecting such indicators for appraising the activity of enterprises which would not become an obstacle on the path to satisfying the demand. Otherwise it will be difficult for us to convince the Minlegprom to make school boots instead of women's fashion shoes and lose millions of rubles a year by doing it. We believe that it would also be expedient to tie in economic stimulation with how much an enterprise is satisfying the need for children's goods.

The newlyweds have a grudge against industry and trade, even if the question about increasing the output of attractive and elegant suits, dresses for brides and good-looking footwear was repeatedly mentioned at all levels. The demand for shirts for adults as well as for children is being satisfied only by one half this year.

But there are commodities of which there is a shortage even... when there is a surplus of them. We are still unable to offer high quality overcoats to our female customers. Those that are available are being sold in an extremely restrained manner. This means that the output of the Mogilev Sewing Factory imeni Volodarskiy does not suit female customers and it is time for it to change to a new qualitative level of overcoat production, which would meet the requirements not only of today but of tomorrow as well.

The light industry as a whole is still being reorganized slowly to production of especially fashionable variety. If in the past this delay was explained by the length of the documentation process and the setting of prices, then now these arguments have become obsolete: anyone who wants to seek and create has a great field for activity. First of all, especially fashionable commodities

can be sold according to contractual prices. Second, the experiment grants the right to the BeSSR Ministry of Light Industry and production associations to set such prices for the first trial batches of new articles. How are they using this right? By 1 percent. Yes, such precisely is the share of especially fashionable new items in the overall volume of the goods produced! I must especially stress that much depends here on the houses of fashion clothing and footwear. So far, it must be admitted, they are occupying a passive position. We are convinced that artists and designers must exert a more active influence on the development of variety and that their labor must be appraised on the basis of the final result--the number of fashions introduced in production.

In the interest of the customer it is necessary to ensure the presence of a certain share of inexpensive items when the structure of clothing and footwear variety is developed. This question can be solved if production is organized in corresponding proportion between expensive and inexpensive commodities.

We believe that some provisions of the experiment require clarification and improvement. For example, what threatens an enterprise today for producing poor quality goods? Only a 3 percent reduction in the withholdings to a material incentive fund for every percent of returned poor quality production. Experience proves that this "damage" is more than recovered through other kinds of incentives and especially through withholdings for the output of improved quality goods.

A major shortcoming in the work of industrial enterprises is violation of shipment to the trade network of commodities with consideration of commodity characteristics: color combinations, sizes, lengths, fullness and so forth. After all, does this mean that one is to accept all overcoats of one color or one size? The goods have to be sent back, thus making it difficult for a customer to purchase a needed item.

But we are also unable to display immediately in a store the goods which are needed by people. It is well known how much time has to be spent under store conditions in order to properly prepare items, which have arrived in bulk. It is precisely in this manner that the production is delivered to us by all enterprises with the exception of the Minsk Sewing Factory imeni Krupskaya. It is a pleasure to receive containers with carefully suspended clothing and to place them in the trade hall of the Central Department Store [TsUM]. But this is only one enterprise and one store. A change to the container method of shipping clothing is a vital task of the Minlegprom and Mintorg of the republic.

The increase in the volumes of production of commodities which are needed by people, and this means an improved trade in them depends to a great extent on the strengthening of the light industry's material and technical base.

New capacities for the production of children's footwear are being put into operation slowly at the Vitebsk Krasnyy Oktyabr' Footwear Factory and for the production of cotton dresses at the Polotsk Sewing Factory. Equipping of the Lida Footwear Factory with new molding equipment for the production of house shoes is being delayed. There is no equipment for the final finishing of

woolen fabrics at the Minsk Worsted Goods Combine and the retooling of the Mogilev Silk Fabrics Production Association is progressing slowly. The Mogilev Sewing Factory imeni Volodarskiy, which specializes in the output of high quality women's overcoats, does not even have a moist and heat treatment line.

In making serious complaints against industry, we do not rule out our oversights. If at the level of ministries and their administrations, we were able to organize systematic businesslike contacts and as a result have efficiently solved many problem questions which arose in the course of the experiment, then at the local level our wholesale workers have far from always used their right to influence production in full measure. Quite a few miscalculations have been permitted by trade specialists during wholesale fairs, when next year's requirements for one or another group of commodities are being determined. There is much dissatisfaction with trade workers as regards demand and advertising of commodities, standard of service and specialization of the trade network.

The task is to continue to look for and find new ways for producing contemporary goods of high quality. All of us are spearheaded toward this by the experiment, and this is precisely what the customer expects from us.

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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

STUDY SHOWS POOR QUALITY, PRODUCTION IMBALANCES IN GOODS

Local Industry Overview

Moscow KOMMERCHESKIY VESTNIK in Russian No 9, May 84 pp 2-4

[Article by Ye. Perets, executive secretary of USSR Ministry of Trade Interdepartmental Council for the Study of the Public Demand for Consumer Goods: "Several Local Industry Enterprises Are 'Still in Debt' to the Trade Network"]

[Text] The products of the country's local industry enterprises are now widely displayed on store counters. The sector which is often called "small industry" is not that small: Local industry's nationwide output of consumer goods is valued at around 13 billion rubles. The assortment includes thousands of items. Numerous small household items, gardening tools, construction materials, toys, dishes, clothing and hosiery--this is far from a complete list of the goods produced by local industry enterprises. The decree of the CPSU Central Committee and USSR Council of Ministers "On Additional Measures To Improve the Public Supply of Consumer Goods in 1983-1985" charged "small industry" with the task of increasing the output of goods needed by the market and of making better use of local raw materials and available labor resources for this purpose. How is this being done? Does the work of local industry enterprises always meet the current requirements of trade specialists and customers?

Decisions on the Local Level

Here is an example. The peat pots amateur gardeners in Sverdlovsk buy for seedlings in stores in their city come from...Leningrad Oblast. What wholesale trade worker has not heard of cases like this one? After all, they are the ones who sometimes have to buy the simplest items and various household utensils from quite distant locations, leading to the inefficient use of transport vehicles and unreasonable expense. The fact that they have to do this indicates a problem in local industry, as it is the direct responsibility of its enterprises to respond quickly to the needs of customers and satisfy consumer demand more fully.

It must be said that positive experience in the maximum use of local potential has been accumulated in several locations in recent years, and the production of goods which are deservedly popular in the market has been organized.

In the Estonian SSR, for example, 14 associations and enterprises under the jurisdiction of the republic Ministry of Local Industry are producing goods for household use, haberdashery items, cultural goods and various types of clothing--more than 3,500 different items in all. Around 15 percent of the products are sold in the republic, and 175 of the items produced by these enterprises and associations have won the right to bear the State Emblem of Quality.

People at the enterprises of the Ministry of Local Industry keep an eye on demand and strive to respond quickly and efficiently to changes in market conditions. As a result, products generally do not remain on store counters, and "shortages" are much less apparent in the republic market. For example, the Tlora Production Association has increased its output of spackling compound, laundry blueing and wallpaper paste. The Tartu Experimental Plastic Plant offered the customer many new items this year, including a new type of plastic design mold and combs in new styles and colors.

The products of Estonian SSR local industry enterprises are well known inside and outside the republic. For many years, people who visit Estonia have made an effort to take a set of cannisters home with them when they leave the republic, and they always want to buy a souvenir in the Estonian Ministry of Local Industry's "Uku" store. The items of the "Uku" Folk Arts Association, the "Kudu" Folk Crafts Enterprise and the "Salva" and "Tarbeklaas" enterprises are sold here.

Trade and local industry workers in the Estonian SSR always keep the output of goods needed by consumers under control. The practice of shipping in various items from outside the republic was renounced here long ago. A knowledge of customer demand is used as the basis for lists of items in short supply.

This information is used as a guide by local industry enterprises when production plans are drawn up.

Local industry is called local because it generally operates on local resources. It would seem that little could be accomplished with the meager choices offered by Lithuanian nature. The republic has only clay, sand, lime, peat and vines. This is probably a complete list of all the main types of local raw materials.

It turns out, however, that much can be accomplished when available resources are used efficiently and when incentive and initiative are present. Local clay allowed the Kaunas Yesya Experimental Plant to master the production of modern, highly artistic ceramics. Today 119 ceramic items come off the plant's conveyor belt. And one out of every two bears the State Emblem of Quality. The Yesya Plant is not the only example of this kind. Republic local industry works with the market in mind. Suffice it to say that its enterprises now manufacture products worth almost 200 million rubles. Furthermore, all of these items are actually necessary to customers and are always in demand.

What is the secret of this success? Above all, it is the knowledge of the market, the constant monitoring of changes in trade conditions and the ability to respond quickly to these changes. To keep a finger on the pulse of consumer demand, sale-exhibits, private showings and conferences are regularly held in republic cities. Customer opinions contribute to the timely correction of production programs: the cessation of the manufacture of items with which the market is saturated, and the mastery of the production of goods in demand.

There is another place where local industry has recently conducted an active search for ways of increasing the output of consumer goods. Small industry in the Moldavian SSR will increase the output of goods for the market by 45 percent over the years of the 11th Five-Year Plan. These items account for 70 percent of the total output of the Ministry of Local Industry, and the output of cultural consumer goods and household items will increase 1.5-fold, that of articles made of local mineral and vegetable resources will increase 1.8-fold and the output of items made of by-products will increase 1.7-fold.

Local industry in the Moldavian SSR accounts for 80 percent of the rugs and carpeting produced in the republic and nine-tenths of the handicrafts. Since the beginning of the 11th Five-Year Plan the production of over 30 fundamentally new items and more than 70 new styles and models of footwear, clothing and other articles has been mastered. Shipments of items made of clay, stone, wood, straw, sorghum and grapevine to the market are constantly growing. Several enterprises are not, however, keeping up with the production plan. These enterprises include the Folk Arts and Crafts Association, the Dubossary Mechanical Plant, the Droniyevskiy Construction Materials Combine and others.

#### Putting Product Deliveries Under Control

The decree of the CPSU Central Committee and USSR Council of Ministers "On Additional Measures To Improve the Public Supply of Consumer Goods in 1983-1985" stipulates that trade organizations must make greater demands on industry for the organization and augmentation of the production of scarce items, especially inexpensive ones, and for the timely renewal of the product assortment with a view to customer demand. The fulfillment of assignments for production growth and the fuller satisfaction of public demand for vital necessities and consumer goods by Ukrainian local industry enterprises is constantly monitored in the republic.

Ukrainian trade enterprises are constantly improving their work with industry and are engaged in a joint search for ways of increasing the output of goods for the market. For example, it has become a common practice for wholesale and wholesale-retail organizations in the republic to conclude long-term agreements with industry for five-year-plan product deliveries. Their fulfillment makes it possible to increase the output of consumer goods in accordance with plans and reduce so-called shortages.

As a result of all of the work performed in the republic, there is uninterrupted trade in such items as kitchen knives, clothespins, various types of hangers, rakes, sleds, garden saws, scales, bottle-openers, can-openers, corkscrews, curtain rings and tiebacks, pressed and blown glassware, lamps, thermoses and the flasks for them, cleaning and polishing agents, etc.

The Ukrainian SSR Ministry of Local Industry has taken a definite interest in the production of the simplest items. Ministry enterprises have planned and carried out several measures to raise technical standards and improve the quality of goods and to master the production of around 150 new items of this type. Forty items have been marked with the State Emblem of Quality.

It must be said, however, that republic local industry is capable of accomplishing much more.

The production of cultural consumer goods and household items at local industry enterprises is growing at a much slower rate than production in other branches of industry. For example, the output of household goods at enterprises of the Ministry of Local Industry increased by 2.2 percent over the last 2 years while the republicwide figure was 6.8 percent (a growth rate only one-third as high). The output of some goods is even smaller than in 1975. For example, the output of chandeliers and swag lamps in 1982 was equivalent to 92.6 percent of the 1975 output, with corresponding figures of 78.9 percent for table lamps, 37 percent for metal shovels, 93.8 percent for enamel paints, 48 percent for leather and suede grooming aids, 59.2 percent for aluminum kitchen utensils, 38.2 percent for cast-iron utensils, 20.5 percent for juicers, 69.2 percent for kitchen knives and 66.2 percent for drip-pans. Incidents of this kind are matters of serious concern for trade organizations.

Several enterprises of the Ministry of Local Industry are not fulfilling plans for the production and shipment of goods according to negotiated contracts. Furthermore, undershipments of aluminum and galvanized kitchen utensils, furniture, metal beds and meat-grinders have become absolutely chronic. It appears that some managers of local industry enterprises regularly sign delivery contracts and then forget them immediately.

Each year there are discrepancies in the enamel cookware assortment contracted at trade fairs. For example, the Shepetovka Metal Products Plant fulfilled the delivery plan as a whole by 88 percent, but the figures for half-liter cups and 1.5-liter pots were only 3.7 percent and 1.6 percent respectively, while the figures were 246.9 percent for the 3-liter pot and 424.3 percent for the 17-liter jug.

Stove tiles, cast-iron utensils, chalk for various household purposes, barrels and small cans of paint and varnish--these and other vital necessities and consumer goods are not always available to the customer. And this happens only because production assignments are not fulfilled.

The trade network is still receiving, however, items the public does not want. Enterprises of the Ministry of Local Industry annually produce 2.8 million metal rounded and straight cornices of outdated design, which absolutely no one wants to buy. Lamps of outdated designs and styles are also unsold. But resources, materials and the labor of specialists are wasted on all of these items. It seems that some workers in industry have very little interest in the final results of their labor, although customer opinion should be the main concern of anyone working for the market today, and the rapid sale of products should serve as the main criterion of an efficient approach to work.

It must be said that local industry enterprises still often work without any consideration for consumer demand and do not display the necessary initiative in their approach to trade orders. Trade organizations in the Uzbek SSR have repeatedly ordered locks, rulers, set squares, templates, pattern-makers, student brushes, hygienic aids and several other items from local industry, but the network still does not have sufficient quantities of these products. The orders of the republic Uzoptgalantereya office for metallic items were satisfied by only 14 percent. Trade orders for cultural goods are satisfied by less than 40 percent, and the figure is only 11 percent in the case of sports equipment. Furthermore, local industry enterprises often fail to fulfill plans for product deliveries previously negotiated with the trade network.

Another serious shortcoming in the work of the Uzbek SSR Ministry of Local Industry is the unauthorized reduction or curtailment of the production of goods needed by the population at ministry enterprises. Checkers in plastic and cardboard boxes, cardboard chessboards, primer and other items ceased to be produced in 1983.

According to available data, the output of such simple household items as metal baskets, scoops and dust-pans will be reduced in 1984, and household string, children's folding chairs and other items will cease to be produced.

#### Both Quantity and Quality

These are precisely what the trade network and the customer are now demanding from local industry. Stores should have adequate supplies of hundreds of small household items of high quality. This is the only way local industry can expect to be appreciated by the customer.

There is no question that the fancy lace in which the local industry administration of the Lipetsk oblispolkom justifiably takes so much pride is very pretty. This lace is something like Lipetsk's calling-card. It is eagerly purchased by the inhabitants of the oblast center and is taken home as souvenirs by visitors to the city. But anyone will agree that local industry's contribution cannot be confined to lace alone. The market wants dozens of items from branch enterprises--small housewares and cultural and consumer goods.

Some enterprises of Lipetsk local industry, however, are making no effort to expand the assortment or improve the quality of their products to meet the needs of customers. They have reduced the output of some goods in high demand: cotton blankets for adults and children, quilted jackets, wool school aprons and others. There is still an acute shortage of infant wear and goods for toddlers. Public demand for kapron jackets for pre-school and nursery-school boys and girls is not being satisfied in the oblast. The Gryazi Clothing Association, specializing in the production of this assortment of goods, manufactured items of poor quality and outdated styles with no decorative trim in 1983. The local industry administration has not displayed the necessary persistence in this area. Instead of taking measures to augment the output of these goods and to make higher demands on their appearance and quality, the production plan for 1983 envisaged a smaller output of these items which are so necessary to the population.

The output of cultural goods and housewares is not growing quickly enough at local industry enterprises in the oblast. The Metiz Plant in Lipetsk is manufacturing only 60,000 rubles' worth of ovens and is not producing several of the items annually requisitioned by the Lipetsk Roskhozorg base: funnels, mailboxes, scrub-boards with a wooden frame, ironing boards and others. The Chaplygin Furniture Factory is doing little to expand the assortment of goods, improve their quality and make use of production waste. The furniture of this factory is not in high demand and is generally not purchased by private consumers. The factory's waste products could be used in the manufacture of bathroom cupboards, brush cases, wooden medicine cabinets, cleaning cloth holders and other simple items. Trade organizations have been reluctant to order the wooden shovels produced by this factory because of their poor quality.

Representatives of state trade inspection boards and trade workers are now conducting explicit and principled discussions of the quality of the products of local industry enterprises. It must be said that they have many reasons for this. For example, quality checks by state inspection agencies indicate that almost one out of every five items produced by local industry in the Uzbek SSR does not meet standard requirements. Several enterprises are regularly fined for the manufacture of substandard products. For example, sub-standard clothing from the Yangiyer Menswear Factory are no longer being accepted by orders of state inspectors.

Many products are regularly rejected by wholesale trade workers in the Ukraine. The enterprises whose goods do not meet standard requirements include the Lvov Light Fixture Plant (swag lamps and table lamps), the Shepetovka Metal Products Plant (enamel utensils), the Denpropetrovsk Metallist Plant (oil-stoves, blow-lamps, hangers and breadboxes), the Nikopol Mechanical Plant (cornices) and others.

"Small industry" does have great potential for the satisfaction of customer demand. Local industry is an important and promising branch of the national economy, and it plays a perceptible role in the provision of the population with goods in mass demand. Many enterprises, however, are still in debt to customers and the trade network.

This is why trade organizations everywhere must work more energetically with local branches of the Soyuzpromvnedreniye Association for the introduction and mastery of the production of new items by enterprises. Trade organizations must be more insistent in their demands for a larger output of goods of better quality in a broader assortment. Material and technical supply agencies in the republics must ensure the allocation of all requisitioned resources and materials to local industry and give republic ministries of local industry daily assistance in complete and regular deliveries of the allocated resources and materials, particularly waste metal, wood, etc.

The decree of the CPSU Central Committee and USSR Council of Ministers "On Additional Measures To Improve the Public Supply of Consumer Goods in 1983-1985" stresses that a larger output of consumer goods of better quality is one of the most important party and government objectives in the system of measures taken to raise the Soviet people's standard of living. Local industry has an important role to play in the attainment of this objective.

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## Ministers' Responses

Moscow KOMMERCHESKIY VESTNIK in Russian No 20, Oct 84 p 6

[Responses to May 1984 article "Still in Debt" by V. K. Uspenskiy, RSFSR minister of local industry, and G. G. Letunovich, Ukrainian SSR deputy minister of local industry]

[Text] The article discussed the production of consumer goods at enterprises of local industry and stated that it did not always meet current requirements. Enterprises of local industry are often in debt to the customer.

### Response of V. K. Uspenskiy

The RSFSR Ministry of Local Industry has discussed the article and admits that the statements about the increased output of items needed by the market, the better use of local raw materials for this purpose, the interrelations of industry and trade organizations and the improvement of the quality of products manufactured at enterprises of local industry are accurate and pertinent. The ministry is now taking measures to replace goods that are not in demand and to improve the quality, appearance and packaging of goods. For example, around 53 percent of the entire clothing assortment is now being renewed each year, and the figure is almost 30 percent in the case of the toy assortment.

It must be said, however, that there are several reasons for the failure to produce items needed by the population. They include the insufficient quantity of cotton and linen fabrics allocated for the production of embroidered items (table linens and some articles of clothing designed according to folk traditions).

Enterprises of local industry have the potential to manufacture more of the consumer goods needed by the population if they are allocated the necessary materials and resources and some pieces of equipment.

They could manufacture more dresses, jumpers, women's cotton robes and night-gowns, household chemicals (in small packages), toys, New Year's tree decorations and other goods.

The ministry also discussed the author's criticism of the local industry administration of the Lipetsk oblispolkom. The article was discussed at a meeting of the administration board and specific measures were planned to eliminate shortcomings.

For example, the Chaplygin Furniture Factory has mastered the production of the "Sokol" set of furniture, certified as being of the first quality category. The production of new furniture of the highest quality category was planned for the third quarter of 1984. An assignment for the production of two new items from wood by-products has been drawn up for 1984-1985.

In 1985 the local industry administration of the Lipetsk oblispolkom will increase the output of quilted jackets.

**Response of G. G. Letunovich**

The Ukrainian SSR Ministry of Local Industry acknowledges the accuracy of the critical remarks expressed in the article "Still in Debt." Measures are now being taken for the stepped-up development of the production of consumer goods. In 1985 the output is to reach 1,715,000,000 rubles, representing 77.6 percent of total production volume as compared to 73.2 percent in 1980.

Steps are being taken to enforce delivery schedules. The sales and delivery plan for the first 6 months of 1984 was fulfilled by 97.2 percent on the ministerial level, as compared to 93.4 percent in 1983, and by 100 percent in Zhitomir and Kiev. The number of enterprises failing to make contracted deliveries has been reduced by 45 percent.

With the aid of market analyses, inspection reports, the decisions of trade fair committees and the recommendations of artistic and technical councils on various commodity groups, the ministry and trade organizations in the republic have coordinated production volumes and the product assortment with current demand.

This has been accompanied by steps to develop and produce new high-quality items of the latest styles and with better commercial features out of new materials.

The production of 836 new types and models of products has been mastered, instead of the planned figure of 791, including musical instruments, furniture, baby carriages, household utensils, sports and camping equipment, toys, cultural goods and household items made of local raw materials and waste products, clothing, haberdashery items and others.

Around 200 products which were not in demand are no longer being produced.

The output of goods with the State Emblem of Quality is 11 percent higher than the output of the first half of last year. The output of items with the "N" index is twice as great as the 1983 output and is valued at 18 million rubles instead of the planned figure of 12.3 million.

The output of cornices which are in demand, however, has been complicated by the failure to allocate the required aluminum structures to the ministry. The lack of raw materials for paint in pastel shades and the shortage of tin for their packaging are complicating the increased production of these paints in the required assortment. The output of shovels at ministry enterprises has been reduced because the production of these items has been made the responsibility of the USSR Ministry of Ferrous Metallurgy. The plan for the production of barrels, household chemicals in small packages and paint and varnish for the first 6 months of 1984 has been fulfilled by 100-120 percent.

The plan for deliveries of assorted enamel kitchen utensils has not been fulfilled because most of the sheet metal delivered to local industry has been too thick for the manufacture of small utensils.

In order to increase the output of goods in demand, stop the production of outdated items and fulfill delivery obligations, the Ukrainian SSR Ministry of Local Industry and the republic Ministry of Trade have announced a competition for the best enterprise and wholesale trade organization under the slogan "Vigorous efforts to put manufactured consumer goods in circulation."

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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

MORE ORGANIZED SYSTEM NEEDED FOR CONSUMER COOPERATIVES

Moscow SOVETSKAYA ROSSIYA in Russian 30 Oct 84 p 1

[Article: "Cooperative Potential"]

[Text] The October (1984) CPSU Central Committee Plenum stressed that the constant augmentation of the country's food supply is a nationwide cause. Our consumer cooperative network can make a great contribution to this cause. Without any exaggeration, it can be called the country's largest procuring and selling agent. These main forms of its activity help to strengthen and develop economic ties between urban and rural areas and solve important social problems in rural communities. Suffice it to say that trade cooperatives serve more than half of our entire population, and their annual procurement volume has been valued at 10.8 billion rubles.

The growing scales of the activity and prestige of this mass public-economic organization are self-evident. Through its participation in product procurements and sales, the consumer cooperative network is playing a perceptible role in the fulfillment of the Food Program. It manages the purchase and storage of around 50 percent of all potatoes, more than 60 percent of all melons, wild fruit, berries and wool and 30 percent of all vegetables, skins and furs. More products are being purchased on private subsidiary farms. As speakers noted at the October CPSU Central Committee Plenum, however, the rising demand for food is not being satisfied in its entirety, and this gives the network a special responsibility to intensify the work of procuring meat, milk, produce and other products from the private farming sector. There are still many shortcomings and omissions in this work.

Rural inhabitants with private plots now produce much more meat, milk and eggs than their families can use. They are willing to sell the surplus, but can they always do this? The procurement centers of consumer societies in many rural communities are undersized and incapable of buying all the meat they are offered, and some communities do not even have such centers. Much of the privately owned livestock is now located in small populated points far from rayon centers, and they are the location of less than 3 percent of all the procurement centers. Is it at all surprising that cooperative personnel concluded agreements only with half of the 80 million families owning livestock? This tremendous potential is not being utilized. This is precisely why assignments for the purchase of meat, wool and skins from the population are never fulfilled by rayon unions of consumer societies in Novgorod, Kursk and Chita oblasts.

The work with private farms to increase purchases of agricultural products also envisages the important incentive of payment in goods in high demand. In Kurgana Oblast, for example, the seller is given an incentive to send as much raw material as possible to the procurement center by giving him an opportunity to acquire scarce construction materials, gardening tools and furniture. Furthermore, efforts have been made to simplify the purchase and sale procedure. Special brigades of cooperative personnel have been formed for this purpose. The results of this enthusiastic work are self-evident: Many rayons in the oblast are completely self-sufficient in terms of the necessary products. This is of direct benefit to the state, to the seller and to the buyer.

It is not everywhere, however, that consumer cooperative personnel are this efficient and take this kind of interest in the common cause. An incident was reported by N. Potapov from the village of Pogar in Bryansk Oblast. The local procurement office of the consumer cooperative society offered inhabitants mixed feeds for privately owned livestock in exchange for potatoes. The inhabitants began to negotiate contracts. Potapov, for example, was promised 470 kilograms of mixed feeds in exchange for his potatoes, but he did not receive the feed. First he was told that it had not arrived yet. Later, after it had arrived, it was put on sale with no regard for the contracts or for the people who had exchanged their potatoes for the fodder. All of this was due to inefficiency, disorganization and a disregard for others.

Inefficiency and passivity always lead to losses. The procurement offices of rayon consumer societies in Lipetsk, Tambov, Ryazan and Orel oblasts are still too inefficient and slow in the procurement of produce from the population. And this is being done at a time when the private sector has a good harvest of apples and garden vegetables. Here is one small example: In the village of Kolnya in Orel Oblast the counters of vegetable stores and booths are empty, but the bazaar has ample supplies of all products, although they have been shipped in and are quite expensive. Local cooperative personnel procured little produce and did not try to purchase products from the private sector, blaming their failure to do so on the shortage of storage facilities and vehicles. But after all, these are precisely the problems they are supposed to solve. This has led to a miserable situation in which a good harvest is not reaching the consumer.

It must be said that the necessary measures to strengthen the material and technical base have not been taken on a systemwide basis. Plans for the establishment of refrigeration facilities and primary processing centers--smoke-houses, mushroom cooking shops and storage facilities for potatoes and vegetables--are not being fulfilled. Capital construction is another weak point in the consumer cooperative network, but it is precisely here that considerable potential for growth exists. Cooperative personnel prefer to hold onto funds instead of putting them in circulation. This always leads to harvest losses. Despite the significant increase in productive assets--around 1.5-fold--the demand for vegetable and potato storage facilities is being satisfied only by 80 percent and the demand for procurement centers is being satisfied by one-third. The technical inadequacies of the material base also warrant consideration. Only 30 percent of the specialized procurement centers are equipped with vehicles and machinery for the loading and unloading of motor vehicles and railway cars.

Serious shortcomings also exist in trade operations. We know that the cooperative network has done much to establish large variety trade enterprises in urban and rural areas, but sometimes the attractive exterior of a large and well-built store conceals its real appearance. There are particularly striking shortcomings in the provision of rural inhabitants with the most necessary items. Sometimes they cannot buy soap, sugar, salt or matches. And it is absolutely reprehensible when no bread is being sold.

This deserves special discussion. In many rural communities in Dnovskiy Rayon in Pskov Oblast, bread is sold the day after it is baked, and it is not always of the best quality. This is the case in Kalinin, Kirov, Omsk and Novosibirsk oblasts. The entire problem is that the bread is baked here at large plants in rayon centers, far from remote rural communities and villages. Schedules for the delivery of this most important product are disrupted by poor roads and vehicle breakdowns. Is there a solution? This question was answered long ago: Small but modern bakeries must be built. They are necessary; they are absolutely essential. This is dictated by the most elementary requirements of human life. These can be permanent or mobile bakeries with special ovens, capable of operating on all types of fuel and supplying several populated points with loaves and rolls. Why are we still hearing complaints? Because the managers of some oblast unions of consumer societies have not taken it upon themselves to solve these problems and are waiting for instructions. But after all, a little initiative, the choice of the best possible design and the inclusion of the project in the capital construction plan will be enough to completely solve this urgent problem and stop the flood of complaints and criticism.

As for the rural workers' supply of other necessities, the main considerations here are enthusiastic work, concern for people's needs and extensive demand analysis. Unfortunately, little is being done in this field. Rural stores generally fall into one of two categories: Either they are filled with merchandise that cannot even be found in cities--the most expensive sets of furniture and stereo equipment--and do not carry simple scythes, shovels or milk separators, or they have an extremely meager assortment in all respects. The boards of many cooperative organizations have been too slow in the reorganization of their activity to meet the demands of consumers and are doing little to maneuver commodity stocks. All of this has an adverse effect on the commodity turnover plan. Unions of consumer societies in the Nonchernozem Zone have been particularly lax. They fail to keep up with assignments, often violate the rules of trade and do not observe store business hour schedules.

One of the main reasons for these shortcomings is the unsatisfactory work of these unions in the hiring, placement and training of personnel. Responsible jobs are sometimes entrusted to people with no initiative and insufficient training, and sometimes even to unscrupulous workers. Little is being done to improve the work style and methods of elective bodies, to reinforce cooperative democracy and to heighten the participation of shareholders in decisions on organizational and administrative matters.

Report and election meetings are now being held on the local level in connection with the preparations for the coming 11th Congress of Consumer Cooperative

Societies in December. An orderly campaign will guarantee the success of all work with shareholders.

After reading the proceedings of the October (1984) CPSU Central Committee Plenum, cooperative personnel feel obligated to increase their contribution to the nationwide cause of establishing a reliable food supply. Consumer cooperatives will have to organize strict control over the storage and sale of agricultural products with a view to local conditions and characteristics. A creative approach to the resolution of problems, merchandising skill and initiative are of the greatest importance. Work to educate the population must be intensified, concern must be displayed for the improvement of public living and working conditions, and professional skill must be enhanced. Efficiency, order and a highly responsible attitude toward assigned duties will be essential.

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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

EMPHASIS ON MORE EFFICIENT TEXTILE DELIVERIES URGED

Moscow TEKSTIL'NAYA PROMYSHLENNOST' in Russian Jul, Sep 84

[Article by "L. P.": "Primary Attention to Contractual Deliveries"]

[No 7, Jul 84 pp 18-22]

[Text] The Decree of the CPSU Central Committee and USSR Council of Ministers on the question of observing contracted obligations for product delivery, and with respect to this, increasing the responsibility of the ministries, departments and enterprises, makes specific reference to the fact that there are still significant shortcomings in product delivery discipline.

A number of ministries underestimate the significance of contract discipline; they have not established proper control over observing such discipline; and, they furnish little assistance to the working collectives in overcoming the shortcomings in this matter.

As a result, plan equilibrium is disrupted; established industrial potential is not utilized to the fullest extent; stoppages arise; growth of labor productivity and production effectiveness are held back; and labor discipline in the collectives is weakened.

In order to improve planning and to increase the influence of the economic mechanism on increasing production effectiveness and work quality, almost all enterprises of the branch (96.8 per cent) have been employing the index for product sales, in consideration of fulfilling the tasks and obligations for deliveries.

An All-Union Seminar, held by Minlegprom [Ministry of Light Industry] USSR and Minlegprom LiSSR in Kaunas in March 1984, was dedicated to raising the level of work of the ministries of the union republics and all-union industrial associations in ensuring observance of contracted obligations for product deliveries in light industry.

Delivering a report at the seminar was N.M. Nemirovchenko, chief of the Organization of Production of New Articles and Deliveries Administration, Minlegprom USSR. He devoted attention to questions of improving interaction between industry, consumers and trade organizations, and stressed that accounting for product delivery in accordance with contracted agreements was put into practice in the system of Minlegprom USSR in 1978. Positive results in the work of Minlegprom of LiSSR, MSSR, BSSR and ESSR were noted: enterprise production programs are being coordinated with plans for deliveries and contracted obligations, and systematic accounting has been organized for fulfilling contracts and shipments on schedule. Thanks to a high degree of effectiveness the production associations and enterprises are making timely amendments to previously-contracted specifications and agreements, taking into consideration the market and material supply conditions which have come to pass.

The plans for product sales, taking into consideration tasks and obligations for delivery, were fulfilled by 99.98 and 99.9 per cent in 1983 by the LiSSR and MSSR Minlegprom, respectively.

Also worthy of attention is the work of the "Styaua Roshiye" Knitted Wear Production Association in Kishinevsk, which specializes in the production of knitted outer and underwear articles, stockings and hosiery. The production plan for this enterprise was compiled on the basis of orders from the trade organizations; in 1983, orders from trade were completely fulfilled for the entire range of goods.

Service work for fulfilling contracted agreements and specifications has been organized with precision at the enterprises of Minlegprom, ESSR. Many articles at the "Marat" Knitted Wear Production Association in Tallin are especially fashionable and are in great popular demand (Included are men's and children's pullovers made from plush fabrics, sweaters for adults made from cotton-wool yarns, and women's and children's underwear). In 1983 there was increased production of men's, women's and children's underwear and outer knitted wear made from cotton yarn. Upon request of the trade organizations, production of cotton-wool underwear was reduced, and production of cotton-wool sweaters for adults was increased.

It has become the practice in the BSSR Minlegprom to examine, in cooperation with the BSSR Mintorg [Ministry of Trade], fulfillment of the plan for deliveries in consideration of contracted obligations; also practiced is joint investigation of enterprises. As a result of this work, the products of five enterprises--including the Orsha Flax Combine and the Minsk Worsted Wool Combine imeni 50th Anniversary of the Belorussian Communist Party--are free from rejection by the trade organizations.

Obsolescent products are effectively being removed from production in the republic. Work is constantly going on to improve quality and to expand the range of goods of light industry. Each year 20-25 per cent of the assortment of fabrics is renewed in terms of type or grade of merchandise; 60 per cent in terms of designs; and 45-50 per cent of knitted articles (in terms of models).

In 1983, the following enterprises achieved the best indicators for work on expanding the range of goods and improving quality of articles: the "Kren-gol'mskaya Manufaktura" Cotton Combine imeni V.I. Lenin, The Alma Ata Cotton Combine imeni 50th Anniversary of the October Revolution, the Orsha Flax Combine, the Leninabad Silk Combine, the Tushinsky Stocking and Hosiery Factory, the Riga "Avrora" Hosiery Factory, the Voroshilovgrad Knitted Wear Factory imeni 25th CPSU Congress, the "Drobe" Wool Production Association in Kaunas, and others.

Widely employed in the work of the branch enterprises are sales exhibitions, where demand for current production is studied, and demand is created for new goods from light industry. Eighty-one company stores are permanently employed for such work; here the first experimental lots of goods and especially fashionable articles are sold for the first time--before they are included in the production plan.

In recent years the company stores have received consumer recognition, and have occupied a definite position in advertising fashions and standards of dress, and in creating and studying consumer demand; they have a noticeable influence on the growth of production of improved-quality articles and in expanding the range of goods.

One of the most outstanding in the branch is the "Muzhskie Sorochki" [Men's Shirts] company store in Moscow, of the "Moskva" Garment Manufacturing Association. This store successfully combines advanced sales methods using models, with traditional sales methods.

However, there are still serious shortcomings in the work on ensuring completion of deliveries in accordance with contracted agreements. An interruption in delivery of articles to the customer in many cases causes a chain reaction of breaks in the rhythm and even stoppages of branch industrial production lines.

Incidentally, one should point out that while fulfilling the plan for 1983 for total product sales volume by 100.3 per cent, the plan for production and delivery of goods in retail prices was fulfilled by 100.1 per cent throughout the ministry. At the same time there were shortfalls in the supply of a significant number of consumer goods.

Among the enterprises which did not fulfill their contracted deliveries the greatest share falls to the enterprises of Mintekstil'prom [Ministry of the Textile Industry] of the RSFSR, and the Minlegprom of GSSR, AzSSR, LaSSR and TuSSR.

There are serious shortcomings in industry in the control and organization of production and labor, which are reflected in the results of the enterprises' activities.

In 1983 a number of ministries permitted unjustified reduction of output of a number of products, such that the production of high-bulk yarn declined (as compared to 1982) by two per cent (UkSSR and AzSSR Minlegprom); that for imitation fur on a fabric base, by 0.5 per cent (RSFSR Mintekstil'prom) and

others; the plan was not fulfilled for production of raw-silk thread, cotton yarn, worsted wool, high-bulk and cotton fabrics; silk, hemp and jute, non-fabric materials, outer knitted wear, rugs and carpet articles, and others. As a result, in 1983 certain union republic ministries and all-union industrial enterprises did not make the basic improvements in their work with respect to observing contract discipline.

There are shortcomings in organizing competition among the collectives of subcontractor enterprises for "Contract One Thousand". Contracts for creative cooperation do not always stipulate measures for strict observance of contracted obligations for delivery of products, for improving production quality, and for expanding the range of goods.

Certain union republic ministries do not make sufficient use of such effective forms of assistance to production associations, enterprises and organizations which are lagging behind, as sending progressive workers to them as mentors.

Depriving supervisory workers at light industry enterprises of bonuses for basic results of economic activity is envisaged, when fewer products and goods are delivered than the contract calls for.

Many enterprises concern themselves primarily with fulfilling the overall volume of sales, since delivery of less than the contract calls for does not yet have a significant influence on the evaluation of economic activity. With fulfillment and overfulfillment of the plan in monetary terms (and at times in physical terms as well) as a whole, each year the consumers receive two billion rubles worth of products less than they should; at the same time the very same volume of production is sitting in the warehouses of industrial and trade enterprises. And this is brought about by lack of preparedness of certain enterprises for wholesale marketing of goods for the coming year.

Every year not all products at the trade fairs are sold. Contracts are not concluded for production which trade has not ordered (from the first days of the year just begun)--which brings about disruption of the equilibrium of the plans for development of the economy, and leads to lack of satisfaction of the needs of the populace.

Systematic work on improving quality and expanding the assortment of goods from light industry helps successful fulfillment of contractual obligations. The main direction of the work of union republic ministries lies in seeking out reserves for improving production of the highest quality products, of new improved-quality goods, of the first experimental lots of goods, and especially fashionable goods, sold for contracted prices.

In spite of the work carried out for improving the assortment and the quality of goods, there are still significant shortcomings. The minlegproms of RSFSR, KaSSR, AzSSR, ArSSR and TuSSR did not fulfill the plan for production of the highest quality products. The growth rate has declined for output of products with the State Mark of Quality in the enterprises of

Minlegprom RSFSR. In 1983 the minlegproms of RSFSR, UkrSSR and GSSR reduced the production volume of new, improved quality goods (in comparison with 1982).

Special attention must be paid to the long period of time required for introducing models of articles which have been approved by the artistic-technical councils of the ministries.

At enterprises of the minlegproms of UzSSR, GSSR, AzSSR and ArSSR the number of complaints has increased for delivery of poor-quality production, and also for the amount of products downgraded to a lower sort and returned for repair.

Nonfulfillment of contracted delivery of products should qualify as a serious breach of planning and state discipline, with all the ensuing consequences.

Branch ministries and all-union industrial associations must increase discipline and control over execution of and personal responsibility for fulfillment of party and government decisions for strengthening discipline for delivery of products, and must make principled evaluations of instances where departmental and local self-interest are obvious. In addition, the requirements for first priority delivery for export must be strictly observed, as must inter-republic and inter-branch cooperative obligations; production of material which has not been ordered, and for which there is no demand, must not be permitted; irrational expenditure of material resources must not be permitted, nor shall they be used for unauthorized purposes; planning must be perfected, and production volume must be in equilibrium with material-technical resources.

In cooperation with party, trade union and Komsomol organizations, the management of each association and enterprise must work out concrete measures to establish in the working collectives an atmosphere of intolerance to any instance of violation of state, planning, contract and labor discipline. Accordingly, there must be more intense control over carrying out contracts for delivery of raw materials, supplies and semi-finished products, and over ensuring they are received in the amount and quality which complies with established procedure, and so on.

It should be taken into consideration that industry must organize and expand production of goods which are not available in trade, and especially inexpensive items; renew in a timely manner the range of goods the public requires; and strictly enforce control over fulfilling contracts for delivery of goods for the market.

When working out draft production programs, one must not permit including in them fabrics, samples and models of articles recommended to be withdrawn from production; and the level of renewal of the range of goods should be increased, taking into consideration future increases in product output bearing the State Mark of Quality, as well as improved quality.

In order to avert accumulation of products for which there is no demand, production processes must be reorganized in a timely manner, and effective measures must be taken to remove the unwanted goods from production.

LiSSR Deputy Minister of Trade B.A. Karnila noted in his speech that the lack of correspondence between the assortment and quality of goods and consumer demand has a significant effect on reducing the growth rate of goods turnover and plan fulfillment. Making improvements in supplying the populace with the required goods depends, specifically, on interaction between trade and industry, as well as fulfilling contracted obligations. A contract for cooperation is of great assistance in mobilizing the working collectives to solve urgent problems.

It is suggested that enterprises of the textile industry devote their attention to producing fabrics for raincoats (of synthetic fibres); for men's shirts; women's dresses (cotton and blended fibres); knitted underwear (from cotton yarn) for grownups and children; and articles made from cotton-wool yarn.

It was noted that the trade organizations are frequently forced to buy up production which does not correspond to customer orders. At the moment of receipt, this can frequently be attributed to production which does not correspond to popular demand, and which ensures fulfilling the plan only in terms of total volume.

Output of above-plan production must be regulated; at the same time, the assortment should be coordinated with the trade organizations, and indices should be established in physical terms for production of goods.

LiSSR First Deputy Minister of Light Industry E.Yu. Dilis specifically pointed to worsening market conditions and changes in the sales of certain fabrics, including woolens (especially coat materials) and silk triacetates, carpets and rug articles, synthetic knitted underwear and other goods--which holds back production growth rates and undoubtedly has an effect on fulfilling the plan in accordance with contracted obligations.

As a result of work which was carried out, nonfulfillment of the plan for product sales, taking into consideration fulfilling obligations for deliveries as a whole, is declining from year to year in the LiSSR Minlegprom. In 1983 only one enterprise did not fulfill the plan for delivery. This is undoubtedly to the credit of the working collectives and to timely and concrete assistance rendered by the USSR Minlegprom.

Ensuring fulfillment of the plan for sales of products according to the contracts is not an end in itself. The task consists of satisfying the consumers' demand through shipping the products, and not allowing them to lie around within the trade system. In 1983 the enterprises of LiSSR Minlegprom fulfilled all planned tasks for output of the most important kinds of products (29 denominations), consumer goods and essential articles (22 denominations), and a range of children's products.

A system of constant control has been established in LiSSR Minlegprom over fulfilling planned assignments and contracts for product delivery. These questions are examined monthly at a ministry collegium with the deputy ministers of the corresponding branches. Economic planning administrations and ministry production departments also continually monitor the situation. The views of trade organizations are taken into consideration as well.

Improving fulfillment of sales plans in consideration of contracted obligations is also supported by annual reexamination (with an eye to stricter standards) of conditions for awarding bonuses to managerial workers at production associations and enterprises.

Extensive use is made of the sales exhibition method of study of consumer demand, held in various cities in the republic; seasonal sales exhibitions of the entire range of goods manufactured are also held jointly with trade organizations. Practical experience has shown that the study of demand in company stores and at company sections at product exhibits do not permit receiving complete data on which to base prognosis of production volume for certain goods intended for delivery outside the republic. The situation at the "Liteksas" Woolen Goods Production Association can serve as an example; this enterprise received unjustified refusal from garment-manufacturing enterprises of the range of goods distributed under contract at the All-Union Trade Fair.

It would be more sensible to delegate study of demand to the appropriate services of VIAlegprom [All-Union Institute of Variety of Goods of Light Industry], the All-Union Institute of Market Conditions and Study of Demand of Mintorg USSR, as well as other higher organizations.

The "Drobe" Woolen Goods Manufacturing Association in Kaunas possesses positive experience in studying demand, in organizing plans for production of goods and in fulfilling contracted obligations.

Contracts for cooperation are very important. For example, LiSSR Minlegprom together with trade organizations periodically reexamines certain assorted groups of articles, in order to introduce the necessary changes to the purchase plans on a timely basis. This work method facilitates more rapid removal of articles for which there is no demand from production.

When creating and introducing a new assortment and establishing contacts with the trade organizations in the republic, wide use is made of the experience of related enterprises in the country, including the light industry enterprises of Belorussia.

In order to provide better support to trade organizations in filling their orders with new assortments, and also to constantly increase production volume of highest quality products (24.3 per cent) as well as those with index "N" [Industry Standard] (17.1 per cent), comprehensive programs have been developed and implemented for improving the quality and assortment of articles. Additionally, a great deal of work is being carried out to reequip the enterprises, to improve labor organization and to introduce progressive experience.

In recent years a great deal of attention has been devoted to the brigade form of labor organization and incentive. Sixty per cent of the workers are members of the new type brigade, and three-fourths of them work on the same order. Adapting the brigade form of labor organization has had a tangible social and economic effect.

It should be noted that one can fulfill contractual obligations for delivery of products only through implementing comprehensive, well thought-out, purposeful measures. However there are a number of problems, the solution of which does not always depend on the efforts of the associations, enterprises or republic ministries. For example, the Alitus Cotton Combine supplies fabrics to the garment-manufacturing enterprises of LiSSR and to other enterprises as well, only upon orders from the "Tekstil'torg" [Textile Trade Administration] base. If there is any kind of change in the assortment or in the period for delivery the supplier, in order to negotiate with the garment-manufacturing enterprise, must receive written consent from the basic customer--that is, the base. Such rigid conditions do not promote effective action in response to the requirements of consumers who are not located in the republic. The manufacturer of the goods and the recipient of these goods should be permitted to change the assortment and the period for delivery of the goods, within the limits of their resources.

When studying demand, nothing is being done to forecast future market conditions in the consumer goods market in the country as a whole. It is time to solve this problem at the level of Minlegprom and Mintorg USSR.

There is also a problem in changing the assortment of goods at interrepublic trade fairs. When changing the assortment at the request of the customers, the trade fair committee cannot apportion or change the ceilings for raw materials or fabrics. For example, in fabric sales for 1984, at the request of the customers 2.8 million meters of cotton fabrics were changed for more durable fabrics; in connection with this, yarn expenditure increased by 200 tons; however, the ceilings for this amount of yarn have not yet been increased, in spite of the decision of the committee.

Another example: In 1983 trade organizations turned down 4,600 children's coats. The articles were exchanged for another assortment; at the same time the leftover fabrics for the children's coats remained on the shelves at the warehouses of the garment-manufacturing and textile enterprises; according to the decision of the trade fair committee the republic Tekstil'torg organization should have accepted them.

Approval by Minlegprom and Mintorg USSR of production of a minimum amount of serial production for all branches of light industry (as was the practice previously) can help to avoid reduction of labor productivity (taking technological capabilities into consideration).

Additionally, reducing the number of purchasing organizations will help to improve interaction with the purchasers, and to change the assortment more effectively. Presently the Alitus Cotton Combine ships products to 344

customers; the Kombinat imeni P. Zibertas, 490 customers; and the enterprises of the knitted-wear branch, 1,605 customers. Solving this problem would permit reducing the number of containeers and improving the utilization of freight cars.

In addition, it is necessary to improve relations with suppliers; with raw-material suppliers, for example. Certain enterprises of the RSFSR Mintekstil'prom [Ministry of the Textile Industry] do not carry out their duties conscientiously, and ship to the knitted-wear enterprises low quality cotton-wool yarn, in a limited range of colors—which has a negative effect on the quality of the manufactured article. For example, in 1983, the wollen mill of the Ul'yanov Manufacturing Association of Wool Enterprises supplied only 50 per cent of the yarn which met the standards for colors stipulated in the contract; the Leninsk-Kuznetskiy Worsted Wool Combine supplied only 39 per cent; and so on.

[No 9, Sep 84 pp 17-19]

[Text] General Director of the "Drobe" Woolen Goods Manufacturing Association of Kaunas, P. Vitkauskas, has been describing the formulation of plans for production of an assortment of woolen fabrics and carrying out contracted obligations for their delivery. He reported that a plan is being formulated at the combine at the present time, which presents details of the assortment for 1986. Primarily, the work is being carried out by the association's assortment service. The goal of this service is to continually renew production, creating new arrangements and patterns for fabrics which correspond to consumer demand and to the trends of fashion. The assortment service consists of four groups: fabrics stylists; artists' studios; a technical documentation group; and a group for study of product demand and advertising.

A multitude of factors are considered when creating a new assortment or in renewing the planned assortment: fashion trends and the demands of standards; the technical capabilities and economic indicators of an association; and the region in which the fabrics, and articles from them, are to be sold. In order to gather the necessary information, the workers in the service make use of every opportunity to meet with representatives of subcontracting enterprises, and take creative business trips to trade fairs, sales exhibitions, and so on.

The stylists select the range of colors for the fabrics for each type or grade of merchandise. The number of colors in a range depends on the production volume of the fabric for a given type of merchandise in the total volume of fabric production, and fluctuates within the range of 10-14. The range of colors is approved by the chief engineer of the association. On the basis of this all the subsidiary production units compile a planning chart for developing the yarns in the new colors; this is then sent to the artists' studios for creating the first samples of yarns.

Each stylist has an annual creative plan, approved also by the chief engineer. The plan indicates the number of designs which must be made up for a certain type of fabric.

In order to improve the quality of the manufactured products and to renew the assortment, an assortment day is held once a month at the association.

Samples of the new fabrics or fabrics with new designs are sent out to the basic customers: the garment manufacturers and the company sections of Promtorg stores in Vilnius and Kaunas; a written questionnaire is completed by the customers in the company sections.

Twice a year specialists from the association visit the company stores and the garment-manufacturing enterprises, where they critically examine the articles sewn from the new fabrics; they also take part in trade and sales fairs for finished goods.

An important link in the work with consumers is the annual meeting with the basic participants in the contract for creative cooperation. At the meetings they examine the fabrics already accepted by the republic and all-union artistic-technical councils.

Samples of fabrics for display at the trade fair are chosen jointly with representatives of garment-manufacturing and trade organizations.

A preliminary planning chart for next year's production, which shows type of merchandise, drawings, colors and volume, is coordinated with each purchaser by quarter and by month of the coming year at the All-Union Wholesale Trade Fair.

Prior to the trade fair in Moscow, a planning chart for fabric production is drawn up not only by type of merchandise, but also by type of weave (the plan for changing production from one grade to another), since each type of merchandise has up to 12 adjusted variants. At the trade fair, all purchasers without exception are presented monthly planning charts for shipment of products; they are drawn up with two criteria in mind: a minimum amount of changing production from one grade to another, and container standards. In this manner, at the trade fair each purchaser receives an appendix to the specifications, with an indication of what kind of fabric (by type of merchandise, by design and by color) and in what amounts they will be delivered to him each month.

Based on the results of the trade fair, priority is determined for production of herringbone tape, roving and yarns in the colors required, and also for unbleached and finished fabrics.

At the beginning of each month, operational plans are worked out for sale of bleached and finished fabrics. At the same time all remnants in production and at intermediate warehouses are taken into consideration. The production department has data on each type of merchandise, design and color. If production of a certain color is shipped out in the current month, it must be in department production not later than the 25th of the month. The fabric must arrive at the warehouse for finished production two to three days before the end of the month.

Plans for yarn production are compiled for a longer period of time. Use of automatic control systems is envisaged in order to improve the work of the association's dispatcher service; this will permit planning production by ten-day periods, taking into consideration the amount of fabrics, by colors, in one container. Presently, fabrics of the same color which arrive at the warehouse at the beginning of the month lie around until the second half of the month in order to make up a lot for one container according to color.

In 1983, deliveries were completely fulfilled for all contracts (according to group assortment, type of merchandise and color).

The basic factors for long-term creative cooperation are--precise fulfillment of contracted obligations, and high-quality fabrics. These factors promote stable demand, as well as stability in the work of the collective of the association.

Republic trade representatives visit the association once each quarter, and sign up for fabrics by type of merchandise, by design and by color. In the course of the quarter, the assortment selected may be changed by request of the trade organizations. Representatives of the association and the House of Models are always present when the fabrics are initially ordered; they provide information on fashion trends and on the type of fabrics, and they listen to the desires of the trade representatives. The association workers also become familiar with the comments and desires of the purchasers at sales exhibits for fabrics and garments, and take a direct part in running the exhibits. Sales exhibits, organized three to four times a year in various cities in the republic and in the company sections of stores in Vilnyus and Kaunas, provide a lot of material for studying popular demand. One should note that the contents of the questionnaires also meet the goals of the survey.

Several years in a row (at the beginning of March) sales exhibits have been organized in Kaunas for goods from light industry, under the slogan "Everything for Women." Booths are always set up here for fabrics intended for sale, and also for articles which will be produced in the future and sold for contract prices at subsequent sales exhibits.

Along with the trade representatives of the city of Kaunas, workers at the association are also seeking new forms of work with the consumers. A contract has been signed for 1984 which stipulates direct delivery of 500,000 rubles worth of fabrics to the company section of store number 33 of the Kaunas Manufactured Goods Trade Association--which should improve work on organizing consumer demand research on the first experimental lots and especially fashionable fabrics supplied at contract prices, and will also permit making exchanges more effectively. The first year of work by the new method will display both its advantages and possible shortcomings.

Socialist competition on "Contract One Thousand" will help successfully fulfill the plans and obligations, improve the quality and sell the finished products. It has been concluded with the Vilnyus House of Models and the "Littekstil'torg" base; with the "Lyaliya," and "Shatriya" Garment Manufacturing Associations; with the imeni M.M. Volodarskiy Association in Leningrad, the Moscow "Bol'shevichka" Association; with the Minsk Worsted

Wool Combine, and others. Each quarter the subcontracting enterprises exchange information on carrying out the conditions of the competition; the results of the competition are summed up every six months.

In 1984 the association's collective maintained the initiative among the nation's foremost industrial enterprises on further development of socialist competition for increasing production of high-quality consumer goods. Specific obligations were accepted for renewing the assortment, for introducing new technology, and for economizing on raw materials, fuel and energy resources.

Concluding contracts for creative cooperation promotes effective search for new technological processes and improvements to those in use, for processing fabrics, for more completely studying and satisfying consumer demand, for developing interaction and mutual assistance, and for creating the most favorable conditions for rhythmic, highly-productive work.

However, there are problems which cannot be solved through the efforts of the enterprises alone. For example, in accordance with the plans of the fabric stylists, 40-50,000 meters of short (6-9 meters each) samples of new fabrics are worked up in the experimental shop per year. They accumulate at the warehouse, since the trade and the garment making enterprises refuse to purchase nonstandard pieces. After four or five years these fabric samples pass from the nonstandard category into the low-quality category. Therefore it is in the interest of the association to have the right to reduce the prices for nonstandard, short lengths of fabric and sell them in a timely manner from allocated funds. The enterprise has the means to reduce the prices--the profits from the sale of products with the index "N".

Both the enterprise and the national economy as a whole gain from selling the nonstandard lengths of fabric at reduced prices.

In order to rapidly renew the assortment, improve quality of production and ensure more flexible changes in production to correspond with consumer demand, the suggestion has been made to reduce the number of technical-economic indicators in the plan for the enterprise; to reexamine existing nationwide norms for expenditure of raw material for mixed yarns, for spun yarn, for fabric from yarns with contrasting colors; and also the method for price formation. The price should be influenced not only by the cost of the raw material, but also by the complexity of the technological process for working up the fabrics, and by the amount of labor expended.

The fabric manufacturing enterprises should be given the deciding vote when establishing the price for fabrics (especially those with index N) and in reducing the prices for remnants of nonstandard lengths of fabrics.

Having effectively solved these tasks, the association could provide the nation's trade and garment making enterprises with more interesting and more contemporary fabrics.

Comrade S. B. Konyaeva, chief of the administration for organizing production of new types of articles, for quality of production and control over deliveries, Minlegprom LaSSR, spoke about the ministry's control over production and delivery of sewn articles in accordance with contracts concluded.

In order to increase work effectiveness, a proposal was made to introduce new forms and methods of planning and control under conditions of a market completely saturated with goods from light industry: for example, determining the need for this or that product according to rational norms for consumption; according to functional interchangeability of articles; and according to changes in fashion trends.

In addition, it would be expedient to increase the economic basis for tasks established for industry to produce goods with the index N. One should bear in mind that this indicator does not fully reflect the level of work of the enterprises on renewing the assortment, since it is also its characteristic for value. Artificially setting the indicators too high leads to a negative phenomenon--reduction of demand for goods from light industry, especially for children's goods, and increasing the amount of readymade products which remain in the trade organizations.

Solving these pressing problems will promote further improvement in providing high-quality, fashionable and well-made consumer goods to the populace.

Representatives of other organizations and enterprises also spoke at the seminar.

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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

EXPANDED GOODS PRODUCTION, DISTRIBUTION VIEWED IN LITHUANIA

Moscow KOMMERCHESKIY VESTNIK in Russian No 19, Oct 84 pp 2-5

[Article by N. Voronina: "Use Reserves More Fully"]

[Excerpts] The trade services of the population are made up of a whole number of components. The main one of them is the increase in trade resources. This primarily depends on the producers of industrial and agricultural products. Here, the situation in the republic is auspicious in general. The majority of contract partners are not letting us down.

During the current five-year plan, it is planned to increase the production of consumer goods in Lithuania by 21.1 percent, including that of light industry by 17.1 percent and of local industry by 23.9 percent. The stress is being placed on local resources and capabilities. The output of consumer goods will grow by a third in Group "A" industrial enterprises. These are mainly enterprises of union subordination. During 1983, they delivered almost 100 million rubles of consumer goods for trade.

As the results of the first three years of the 11th Five-Year Plan show, there are opportunities for not only fulfilling but also for significantly over-fulfilling the contemplated plans. During this period, the production of items in great demand in the republic increased by 14 percent when the plan called for 11 percent and that for cultural and personal services goods and practical items by 23 percent when the quota was 19.4 percent. The manufacturing of goods, whose demand is especially great, will be significantly increased with this. Along with the increase in the output of items in mass demand, it is proposed to update and expand the assortment of products and to increase their quality.

In outline, this is industry's contribution to the supplying of the population with consumer goods. The activity of industrial enterprises in solving this task has decisive importance. However, a great deal here depends on the continuous, planned, accurately organized, and purposeful work of the trade enterprises and organizations with industry.

The high level of development of industrial and agricultural production, which has been achieved in the republic, provides an opportunity for commercial

organizations to effectively influence the compiling of plans for the production of consumer goods considering market requirements. Thus, the industry of the republic manufactured almost 160 million rubles of consumer goods above the plan at the suggestion of the trade bodies during the first three years of the five-year plan. All of this consisted of goods which were lacking in our market or which were quite scarce -- footwear, clothing, new model and new fashion knitted wear, new types of garden and vegetable garden implements, many plastic items, haberdashery items, practical everyday goods, and others.

We are receiving continuous help from local party and soviet bodies in our work with industry. On the initiative of the party gorkom, for example, a permanent exhibition of consumer goods, which cannot be put on sale because they are still scarce and whose production is not so complicated, has been set up in Vilnius. It is a considerable incentive for industrial enterprises to eliminate these still existing shortages in a very rapid time.

It is necessary to point out in particular that the work of trade bodies with industry begins at its local link -- with goods managers. Especially at the retail level -- the stores. Then, the wholesale level -- bases and offices.

The store receives initial information which is most important for all of its further work: Will there be enough of it, will there be no overproduction, what is its quality, what is the consumer demand, and what is its change trend. The goods manager of the store and the salesclerk continuously rub shoulders with the customer; therefore, their observations reflect customer opinions about the article and the entire system of commercial services in general more fully and objectively.

The goods managers of the wholesale bases summarize and analyze the initial data that is received from the retail organizations. They also make direct observations in the stores mainly to define the already existing data more precisely. They begin work with the industrial enterprises.

A great deal of work, which is connected with drawing up the variety of new articles or models, is being placed on the goods managers. You see, the idea of the need for a new article or for a new model of it is often born in the customer, stated by the local goods manager machinery, and subsequently converted into a scientific work, model and -- in the final analysis -- a new article by altering and improving it during subsequent tests. It is possible to cite many examples of this transformation of consumer ideas into new articles. Dishes made of grated raw potatoes enjoy a great deal of popularity in the Baltic. However, it is labor-consuming to grate potatoes by hand. The customers in the factory stores began to ask more and more frequently: "Is there no mechanical potato grater?" and "Why?". An electrical potato grater, which is being produced jointly by the Mazheykyay Compressor Plant and the Alitus Refrigerator Plant, has already appeared on the counters of our stores. Incidentally, this is also a concrete example that it is possible to cross a departmental barrier and combine the efforts of enterprises in different ministries.

... A wholesale base, a wholesale office .... A base has not been a warehouse for a long time. At the present time, it is a specialized production and scientific organization that has been called upon to solve the set of tasks involved in satisfying as much as possible the population's needs for consumer goods. In this regard, the names -- enterprise and association -- which have become more and more fashionable and which have replaced to a great extent the obsolete term -- base -- are justified.

I have not used the word "scientific" by accident. Let us take our republic wholesale office for trade in clothing. Its overall wholesale trade turnover reached 1,232 million rubles last year. The office delivers clothing, knitted wear and hosiery items beyond the boundaries of Lithuania and receives a portion of its goods from other union republics. It is known how complicated and various is the group of articles included in the product list of the office and how dynamic is the clothing market situation and the numerous factors that influence consumer demand. Today, any errors in determining requirements and compiling orders for items in this group; and an inadequate accounting of such factors as fashion, consumer preferences and age, professional and national peculiarities, can lead to a serious loss.

That is why the specialists in the office must possess exhaustive information on the actual production and capabilities for the production of clothing in the republic and also on its delivery from other regions. The sales rates of individual items and the degree of demand satisfaction are continuously known to them, and they are continuously informed about all market situations that are taking shape in the market place. Assortment and production volumes, quality, preparations for production, and the approval of examples of new articles -- all of this is under the constant control of the specialists in the office.

A total of 29 contracts link the office with the republic's light and local industry enterprises. All of them were concluded during the five-year plan; however, the specifications are defined more precisely every year during the republic fairs, taking into account the changes that have occurred in consumer demand. This is -- so to speak -- traditional work. However, it is inadequate. Those enterprises, which supply the material for the manufacturing of clothing, are also continuously in the field of view of the goods managers in the office. Moreover, it has also become a tradition for us to invite representatives of the textile industry to the wholesale clothing sales fairs and to solve with them questions concerning the supplying of cloth to the knitting industry workers, especially regarding colors, designs and tints.

Changed consumer demand, however, does at times not permit one to wait for the next wholesale fair. That is why operational business meetings of trade and industry specialists, during which specifications are also firmed up and supplemented, are often held in the intervals between them. The specialists in the office prepare very carefully for the meetings, developing conclusive arguments for the need for certain changes in the production programs of the industrial enterprises. This work is providing noticeable positive results.

For example, an understanding about changing the assortment by a sum of more than 42 million rubles was reached during 1983 as a result of 136 reviews that were conducted of the assortment and quality of clothing, knitted-wear and hosiery items and fabrics during their negotiations between trade bodies and industry. Mutual relations between trade and industry are taking shape normally on the whole thanks a great deal to this work.

There are, however, problems which have a great deal of importance. Unfortunately, disputed situations sometimes arise. Their successful resolution depends a great deal on what level solves them. It is advisable to begin at the very lowest level. You will not examine all questions at the highest level; yes, and there is not always the need for this. On our part, we support in every way possible the initiative to resolve the majority of disputed questions operationally. If a solution cannot be found on the spot, then the ministry enters the affair. However, the main factor in searching for and using opportunities to increase the production of consumer goods is the initiative on the spot, that is, the initiative of the bases, markets and stores.

Of course, problems and disputed situations are not always solved quickly. Unfortunately, 19 of the 93 enterprises of union subordination in the republic still do not participate in the production of consumer goods at all. All enterprises are still not fulfilling assigned targets for establishing and mastering consumer goods production. Thus, the Vilnius Komunaras Plant did not master in 1983 the production of domestic driers for fruit, mushrooms and vegetables and drilling attachments; and the El'fa Production Association -- that of stereophonic headphones.

That is why the Ministry of Trade was forced to turn to the republic's Council of Ministers which discussed the question of the production of consumer goods in enterprises of union subordination and adopted a special decision during one of its meetings. As a result, definite positive changes have been detected at the present time.

The combining of the efforts of not only different branches but also of the regions has important significance in improving the supplying of the population with consumer goods.

The Interrepublic Coordinating Industry and Trade Center for Expanding and Rationally Distributing the Production of Consumer Goods has been operating for eight years. It combines five union republics: Belorussia, Latvia, Lithuania, Moldavia, and Estonia.

The center's primary work method is the organization of reviews of individual groups of articles, which are produced in all five republics, and the development of recommendations to improve their assortment, quality, production distribution, and production volumes. In accordance with the center's recommendations, the production of the necessary consumer goods by the enterprises of the Ministry of Agricultural Machine Building, Ministry of Road Building Machinery, Ministry of the Chemical Industry, and a number of others, which are located in the republics, is being increased.

A great deal has been done for the rational distribution of production. For example, the semi-hand-made manufacturing of certain domestic chemical products has been almost stopped in each of the five union republics. Their production is now concentrated in two of the region's large production associations: Latbytkhim and Litbytkhim. It is very important that the question of where this or that item can be best made be primarily taken into consideration when the question about concentrating its production is being resolved. It was according to this principle that the production of blades for meat-grinders and cream beaters was entrusted to Lithuania; multi-position racks -- to Belorussia; small-scale mechanized systems for harvesting grasses -- to Latvia; etc.

The further improvement of the trade and technological process, and the use of more active sales methods and more effective methods for demonstrating and offering articles are acquiring especially important significance under the conditions of the rapidly changing marketplace.

Instead of the linear arrangement of commercial services, our non-food stores have now begun to make wide use of a new method for the placement of goods, which has received the conditional name of "a store within a store". Here, the main factor is the formation of individual microcomplexes and their placement in the sales area based on the intensity of demand combined with the sale of concomitant goods. This principle permits the attention of customers to be concentrated not only on individual articles but on groups of similar items, simplifies the selection, and at the same time expands the range of purchases.

Here, of course, it is also desirable to use fundamentally new commercial equipment for greater success. Such equipment is being developed by the design technological bureau of the Market Administration of the Kaunas gorispolkom. For example, there is the Eglute commercial set. It is designed for the sale of piece-goods industrial products and several types of food products in self-service stores. Its design permits the assembly of units, racks and cabinets which stand alone or are combined in a single unit. It is possible to place goods conveniently thanks to the presence of special shelves, holders, brackets, and other attachments. Special shops have been set up in Kaunas and Klaypeda to manufacture the Eglute set.

Based on the example of our Belorussian colleagues, we have begun to use special equipment, which reminds one somewhat of a cupboard in design, for the sale of bakery items using the self-service method. It permits the freshness of the items being sold to be better preserved and allows their contact with the surroundings to be decreased. Our repair and assembly combine is producing this equipment.

The expansion of fairs and sales exhibits and expanded seasonal clearance sales of goods, which are being expanded more and more, contribute to the intensification of trade in goods with a sufficient variety. Sales exhibits in the Vilnius Palace of Sports and on the track and field athletic arenas of Vilnius and Kaunas; the wide crosssection fair, which operates directly on the main street

of Kaunas; and also the school item fairs in Vilnius have already become a tradition. Fairs are conducted in practically all of the republic's cities where there is a state trade network.

The improvement in the organization of trade in the different small items, which are required by the consumer, is also contributing to an improvement in retail trade turnover. Besides direct sales on the streets and at the places where people gather, we sell them in kiosks and at reception points for glass containers. This is advantageous in many respects, and the account is often settled with various small items for the glass container which is turned in.

Finally there are the storage facilities on which the successful work of the wholesale and retail levels depend a great deal. The main amount of the goods, that are intended not only for seasonal trade but also for the current needs of the retail trade network in Vilnius and Kaunas, which has been completely freed from storing stocks, is now being stored in the warehouses of the republic's wholesale bases. The area, which has been freed, is being used to better organize the trade process.

At the present time, the percentage of warehouse trade turnover has exceeded 50 percent for the main industrial goods. By the end of the five-year plan, we intend to increase it considerably. This will permit the centralized delivery of goods to the retail trade network of not only the ministry system but also the consumer cooperative system to be expanded. Our wholesale organizations are already now centrally buying leather and rubber footwear and clothing in all of the republic's rayons, and textile articles are being delivered to two thirds of the rayons.

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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

PRICE REDUCTIONS ON PASSENGER CARS INTRODUCED

PM101303 Moscow PRAVDA in Russian 10 Jan 85 First Edition p 2

[Unattributed report: "At the USSR State Committee on Prices"]

[Text] The USSR State Committee on Prices reports that in accordance with the 10 January 1985 USSR Council of Ministers resolution state retail prices of the following makes of passenger car are to be reduced:

	Percentage price reduction (on average)
"Zaporozhets"	28
VAZ-2121 "Niva"	12.5

In reply to a question from a TASS correspondent on the new retail prices of "Zaporozhets" and "Niva" automobiles currently in production the leadership of the State Committee on Prices has reported the specific size of price reductions for basic models:

Car model	Previous price (rubles)	New price (rubles)	Amount reduced (rubles)
ZAZ-968M	5,375	3,900	1,475
ZAZ-968ME	5,600	4,100	1,500
ZAZ-968M-005	5,160	3,500	1,660
Other Models			
ZAZ-968	3,870-3,550	2,800-2,600	1,079-950
VAZ-2121 "Niva"	10,300	9,000	1,300

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CONSUMER GOODS PRODUCTION AND DISTRIBUTION

SYNTHETIC FABRIC PRODUCTION PROBLEMS DISCUSSED

Problems Detailed

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 10 Oct 84 p 2

[Article by O. Berezhnaya, special correspondent, from Omsk, Dedovsk, Moscow: "You Try to Economize and You Don't Get Paid; Why Are Textile Workers Using Cotton for Industrial Fabrics?"]

[Text] I've heard some interesting things about Ivan Il'ich Podkovka, director of the Vostok Cotton Association in Omsk.

"He's vehemently opposed to replacing natural fibres with synthetic for industrial fabrics," declared one textile worker.

"He's an ardent supporter of this matter," assured another.

Strange as it may seem, both turned out to be right.

Last year the Krasky Perekop Combine in Yaroslavl' "overloaded" the plan for producing industrial fabrics from synthetics. They proposed to Ivan Il'ich that he take this assortment, reducing the manufacture of fabrics from cotton. But he turned them down cold.

I'd already met Ivan Il'ich previously. I know that he is an intelligent, careful manager. One would think that he would understand full well what kind of advantages the enterprise would accrue by switching to synthetics. You wouldn't have to worry or fret over whether or not there would be a good harvest this year, or over the quality of the natural fibres you'll receive. And you will no longer need the processing and spinning shops; after all, you receive finished threads from the chemical enterprises. Perhaps this was a one-time refusal, dictated by current concerns? I ask him how he would act right now, given a similar situation.

"I'd resist with all my might".

So that's that. But here's another fact. Podkovka was offered ten "Malimo" machines, which produce synthetic, non-fabric canvas. And he grabbed them up with both hands, as they say. He set about erecting an addition, using his own resources, in order to make sure there was a roof over the new

equipment. But that's not all: Ivan Il'ich started to try to get the association to build a new mill with a planned capacity of 20 million meters of fabrics from synthetics. And you should have heard the director's indignation as he related the fact that the enterprises had decided to put off construction for the time being.

"I've been trying to bring out this idea for years and I've argued myself hoarse. After all, these are the enterprises of tomorrow".

It appears that with one hand the director is pushing the new assortment away with all his might, and with the other is fighting for it. Where's the logic?

There's no paradox whatsoever in I. Podkovka's behavior. The paradox is in the planning system which is pushing the director to such contradictory actions.

In 1982 the price was raised for cotton, and was lowered for synthetic fibres and thread and, thus, for the fabrics made from them. Henceforth, every enterprise which decides, for the common good, to replace natural raw materials for industrial fabrics with synthetic materials, will then and there be punished by the ruble--and not just once.

As previously stated, synthetic thread arrives at the enterprise ready to use. Whereas before one had to do all the spinning for oneself, now one can do away with spinning altogether: close the shops, remove the equipment, and dismiss or retrain the people. That means reducing production volumes; and you don't get a pat on the back for that. Otherwise, you have to redesign spinning production from the ground up. Because no one needs the thick yarn which you used to make for your own use. And the fine yarn, without which the knitted wear industry would literally smother, requires altogether different technology.

After they carry out this rather complicated operation at the mill, yarn output declines by a factor of two and the amount from sales by about one-third.

In a word, if Rospromtekhnoknani [RSFSR Industrial Fabric Production Association] accepts Ivan Il'ich's proposal, losses to the enterprise would come to nearly five million rubles. That means profits would decline, and the incentive funds would drop off. And an enterprise which up to then had been considered progressive, would fall into the backward category. Thus, Ivan Podkovka's refusal was taken at the industrial association as a foregone conclusion. And, strictly speaking, they didn't insist on this with respect to the proposal.

"Not one self-respecting director would voluntarily accept such losses," assures B. Fomin, chief of the Rospromtekhnoknani Association.

Of course, "not one" is putting it to strongly. A. Stroyev, director of the industrial fabrics combine in Dedovsk, for example, did. True, he did enlist the support of the republic ministry beforehand. At the enterprise,

one of the most progressive in the branch--they energetically began to replace the cotton in industrial fabrics with synthetics, and instead of the thick yarns which no one needs they began to spin fine yarn. And... The collective lost nearly 60,000 rubles from the wage fund. Even the administrators at the RSFSR Ministry of the Textile Industry, who understand full well the utter absurdity of the situation which came to pass, did not have the authority to help the Dedovsk combine. A special departmental decision was required at the union level in order that the director and other people who had taken up this new and useful cause were not punished for it.

But others are being punished, and properly, with the ruble.

At the Kraskyy Perekop Combine in Yaroslavl', for example, they adopted production of a new non-fabric material for making conveyer belts. The collective saved 8,000 tons of cotton, but now loses 8.5 million rubles a year. Another 11 million rubles were lost by virtue of using synthetic materials for reinforcing hoses rather than cotton.

In Krasnoarmeysk, at the production association which produces industrial fabrics, they began to make kersey from cotton-polyester materials rather than cotton. And for every million meters they now receive 2,272,000 rubles less.

"All of our supervisors understand full well that the future belongs to synthetics in the production of industrial fabrics," says B. Fomin. "And we have the kind of fabric which for each meter 'devours' up to ten meters of chintz, sateen or coarse calico. Can one really put up with this? As always, it is hard for the new to blaze a trail for itself. There isn't enough of the necessary chemical fibre, and it's not easy to reorganize production. And here in these conditions, instead of encouraging and supporting the initiative and the businesslike approach of the directors who have introduced new synthetic fabrics at their mills, they poke a stick through their spokes".

And how do those who are directly responsible for solving the question relate to the needs and concerns of I. Podkovka, A. Stroyev and their colleagues?

"It doesn't matter that they're at a disadvantage there! What kind of talk is this anyway? If we start to look for advantage everywhere we'll never introduce anything new. If the state needs it--let them make it," rigidly insisted the chief of the cotton industry subsector at Gosplan RSFSR, V. Cherkasova.

Deputy Chief of the light industry section, M. Tryapitsin, fully shares her position.

"The director is not an important figure," Mikhail Zakharovch assured me. "What depends on him? Minor, local questions. The institutes work out the assortment, and we plan production of new fabrics for the enterprises. So let them carry it out".

We had an interesting conversation with the Deputy Chief of the Economic Planning Administration at the USSR Ministry of Light Industry, A. Pekker: "If I were director of an enterprise, I would prefer to lose all the indicators, but would certainly introduce synthetics," decisively declared Aleksandr Abramovich. "So the plan is a failure for the first year. But in the future stable growth rates and success would be guaranteed".

I think that if you offered A. Pekker a position as director he would not likely maintain such decisiveness. Responsibility for the collective is not an easy load. However, to speculate on how A. Pekker would act if he were director--presently he has another position--it's worthwhile to spend a half hour in his office: to listen to the endless trills of the telephone; to listen to the conversations he has with his visitors--one needs to "carve out" some raw materials, another needs more funds, the third is forced to buy something he doesn't want--and you will understand how much trouble this position involves. It is so demanding that at times A. Pekker even forgets that his responsibility involves not only carving out, shaking out and persuading, but also--along with the other workers on the staff of the branch--making the economic mechanism work. And thus, making a good and necessary cause advantageous to the collective, so that it does not bring it losses in the millions.

And what do they think about this at the financial administration of Minlegprom [Ministry of Light Industry] USSR? They don't think about it.

"If an enterprise or an association suffers losses when switching to output of necessary products, they appeal to us. We take our proposals to the State Committee on Prices, and they ordinarily meet us half-way. But with respect to this problem, neither the enterprises, nor "Rospromtekhnokan'", nor the RSFSR Ministry of the Textile Industry has appealed to us, and we know nothing about it," says A. Kiseleva, deputy chief of the financial administration.

The problem of cotton fabrics and articles made from them is one of the most serious in production of consumer goods. In order for there to be enough printed fabrics for our women, cotton for jeans and other items, it is necessary to interest the enterprises in replacing the natural fibres with artificial fibre, or at least not to hinder them.

In the "Rospromtekhnokan'" Association, for example, they are suggesting an alternative: give the enterprises the right to set their own wholesale prices for certain kinds of synthetic industrial fabrics. They also see a way out for them in Minlegprom, USSR.

"An enterprise's basic indicators must be reexamined every year, with respect to changes in prices, or in the assortment. Then there will be no losses," declared A. Pekker.

It's up to the specialists to decide which alternative to choose. But the collectives at the enterprises should not be left in the lurch, while solving important problems for the state.

Ministry, Gosplan Action

Moscow SOTSIALISTICHESKAYA INDUSTRIYA in Russian 23 Oct 84 p 2

[Editorial comment to previous article]

[Text] "You Try to Economize and You Don't Get Paid" is the title of an article by O. Berezhnaya published in the 10 August issue of SOTSIALISTICHESKAYA INDUSTRIYA. The article speaks of the fact that the textile enterprises which replace natural fibres in their industrial fabrics for artificial fibres suffer large losses. Deputy Minister of Light Industry USSR, A. Pushkin, reports that the ministry has examined the questions raised in the article. Work is presently underway for removing natural raw materials from the sphere of industrial-technical consumption, and above all from the sphere of heavy industrial fabrics. The ministry, together with the enterprise and branch scientific-research institutes, has worked out a long-term program which envisages switching more than 100 million meters of heavy industrial fabrics to synthetics and blends. At the same time, nearly 50,000 tons of cotton fibre, which is in short supply, will be released and will go into the production of consumer goods.

Because of differences in wholesale prices, when the enterprises which produce heavy industrial fabrics switch from natural fibres to synthetics, the volume of commodity output declines; the normative correlation of growth rates, labor productivity and average wages is upset; and the material incentive fund is reduced.

This question was discussed at Gosplan USSR with specialists from Minlegprom USSR and Mintekstil'prom RSFSR. In order to increase the interest of the enterprises in producing synthetic fabrics, in the 4th quarter of the current year a document will be drawn up which regulates the correlation of planned volume and price indicators, the number of industrial-production personnel, and the funds for wages and material incentive at the enterprises which have replaced the cotton in heavy industrial fabrics with synthetics.

9006  
CSO: 1827/37

CONSUMER GOODS PRODUCTION AND DISTRIBUTION

IMPRESSIONS OF A SHOPPER IN LINE

Moscow SOVETSKAYA ROSSIYA in Russian 25 Nov 84 p 3

[Article by Candidate of Pedagogical Sciences L. Ivanova: "What We Waste Our Time On"]

[Text] Different people are standing in a long line near a fashionable department store. They are also talking about different things. But the attitude of the passers-by toward them is most often unfriendly:

"If they are standing, it means they are not working..."

The line does not arouse sympathy, very few feel sorry for the time spent by the people standing in it. Why? Because they are not standing in it for their daily bread, but for some prestigious article. But is it right to condemn them? Various motives exist among people. Our life is more abundant, than, let us say, 20 or 30 years ago. We dress better, and we have more articles at home. But all the same, there is something missing. Material means at present do not restrain our purchasing demands.

The line, as maintained by specialists, is an indicator to some degree of the discrepancy between the production and consumption of commodities. If there is a line, it means that the demand has not been satisfied, if there is no line, it means that the demand has been fully met. I believe that this is a somewhat simplified interpretation of the question--without taking into account the psychology of a consumer, which often changes before one's eyes and quite often thoroughly muddles everything.

Everything is ambiguous. Different people with different needs stand in the line. It is known that one need gives rise to another. Quite often a need develops in man on the basis of one or another emotion.

Who stands in the line when you are at work? Let us try and put ourselves in their place without prejudice and be filled with their concerns and needs...

The State Department Store--the Moscow GUM. Everything looks good and festive inside as usual. Foreigners are walking in groups, they are buying Russian souvenirs. The sound of music is heard. I have soon found a line for myself--such a line is normal for velour.

"Who is the last one?" I asked.

"We are," responded a young Georgian with his female companion.

My attention was drawn to two large packages which he held with both hands--something attractive came into view.

"What is it that you have?"

He was gladdened by my interest.

"Do you like it? These are Mongolian blankets at R75 apiece. We have bought eight right away."

"Why so many?"

He shrugged his shoulders in indignation.

"Don't you understand? For sister, brother, neighbor and many other relatives."

There is now another worry for him--it is necessary to provide velour to the whole village. But will there be enough?

A line for such customers is of magical significance--if people are standing in line, it means they know for what. A line acquires a value only if its long. This means, there is a shortage. Hidden behind this word is a chance to buy something that a neighbor does not have. But then I will have. This in itself already becomes a goal, a sort of a hunt, a game.

My attention is drawn to an elderly woman in national dress. Where did she come from?

"I am from Dagestan, daughter," she willingly responded.

"You are interested in velour?"

"Oh no, daughter, not for myself but as gifts for granddaughters, who asked to bring it for dresses."

A nice young couple, one can see at once that they are newlyweds. They are from Siberia, they came to the capital owing to a serious reason: the wife required a consultation by medical specialists. She really does look poorly, but is obviously inspired by the prospect of buying velour: she became flushed in describing what she intends to sew for herself from this beautiful fabric. They are comfortably off, parents are also helping out, there are no children yet and this is their first in Moscow. A neighbor was listening to our conversation. It turns out that she was from Poltava and came here on a sightseeing tour.

"What were you able to see so far?"

She responded by saying:

"I saw everthing at the same time--on a bus sightseeing tour. But it seems to me that the most interesting in Moscow are the stores."

Really! Is it possible that a store is a substitute for a theater, the conservatory, a museum and the VDNKh [Exhibition of Achievements of the National Economy]? I was bewildered!

To stand out, to appear important: Only I have such an article--these are the reasons which often force people to stand in line for prestigious goods. They may say what they like, but even now it sometime happens that "one is welcomed according to the cut of one's coat," saying nothing about the second half of the proverb...

In the meantime the line was moving ahead, and my acquaintance from Poltava literally "rushed up to" me and informed me in a strained voice:

"I bought it! I am overjoyed. Everyone will simply burst from envy back home. I did not waste any time in Moscow."

The velour was really very good. It did not wrinkle and gleamed like velvet. One could hardly condemn! At least she expressed herself honestly and frankly. After all, she did not take the fabric for resale. She simply wants to dress up and look interesting and attractive. Perhaps in order to please a man she loves.

We have been involuntary victims of shortage many times: "They have put it out! Who is the last one? What are they giving?--What is the difference! The last days of the month--means a shortage. Let's take it faster or we'll not get it at all." And only later, at home, while looking over the purchase, we are amazed: How could we buy this, and what for? We frankly admit: such is the nature of our feminine purchasing psychology.

But there are not only women in the line. Ahead of me I see an extremely serious looking man.

"You are probably standing in the line for the fabric in order to make your wife happy?"

"There is a line, so I am in it."

And this says all. It is a usual thing: There is a line, so one should get in it. One always carries money, just in case.

I am observing the line, the line is observing me. Some people on seeing that I was writing something in a note pad, asked apprehensively:

"What are you writing it down for?"

So we have lived to see the velour fashion. One may recall that velour hats were fashionable for a long time during the postwar years. Within my memory

is the chintz fever, which was followed by staple, crimp, silk and velvet fevers and now we have a velour fever. Nobody is bothered by prices. I look back at our line: its "tail" is still growing.

I have stood in the line all way through, have talked with almost everyone and renewed acquaintances, but have not seen any Moscow residents.

"Are there any Moscow residents here?"

"Of course, there are." And then I noted a modest elderly woman.

"I am a pensioner. My name is Tamara Vasil'yevna. I came to buy 2 meters of white silk for a blouse. But I was unsuccessful, they are giving velour. I have asked a saleswoman to write out a check, but she told me to stand in the common line. So I am standing in it. Even the document does not help..."

"What document?"

"Of a veteran of the Great Patriotic War," she responded. "But please do not worry, I have already stood half way through. I have decided to order the blouse in the clothing repair and tailoring shop ahead of time, so that it could be ready by our Victory holiday."

Naturally, the section chief was really surprised and hurried to correct the misunderstanding.

"Where is your woman?"

"Tamara Vasil'yevna, come here. Show the material that you like."

And that was all. She received her 2 meters of silk in 5 minutes. We got to talking about how we wanted to dress as best and as attractive as possible after the war, how we altered old dresses and overcoats and then went to the dances and how it was all so delightful! Life was so interesting. Why then today, when we are richer and more prosperous and stores carry goods to fit any taste, there is sometimes less merriment and happiness in some homes? The interest in life is becoming quite different, when consumption and the rush for the most fashionable and most prestigious clothing, footwear and furniture is becoming almost the most important for man. Why does it turn out like this? It is even offensive. It seems that veterans are not sitting idle, they meet with the younger generation and describe to them how difficult it was. For example, how they did not get enough to eat. But how is one to explain the meaning of starvation to a child today? There is a small food store in a refrigerator in every home. Open it and help yourself!

I remember the first postwar years--how often we were hungry, how much we wanted to dress up. To our requests or--God forbid--comparisons, such as "Tank'a has a new dress," grandmother always responded in the same manner: "What of it if someone has something, we don't have it." And we calmly resigned ourselves to it. But time has brought about new problems, and it is sometimes difficult to

explain this to the older generation. The fact that "jeans" are not just simply trousers, but a sort of a pass. Without this pass, for all one knows, one may not be accepted among one's peers.

Not everything is simple or synonymous. Man cannot be judged by his trousers, but at the same time the demands of fashion cannot be ignored.

I have ended this unusual day in the women's outer garments department of the TsUM [Central Department Store], where arrival of goods of our domestic factories--the Vympel and Salyut--was expected. We have stood for a fairly long time and at long last they arrived. Women were transformed before our very eyes--all of them became beauties in our Russian furs, which were well attached to winter overcoats. The line moved on smoothly, merrily. Salespersons provided fast service and women came out with their purchases looking happy and satisfied.

The overcoats were of high quality and fashionable with blue fox fur collars. The styles were good. There was one problem--too few! The 150 overcoats were enough for only 2 hours of trade. "If there was only more of such high quality product," senior saleswoman L. A. Klopova said.

I have also overheard another conversation:

"But these are just our own overcoats, not imported ones. I stood in line the whole day yesterday for Austrian overcoats. Now that is some product! With a blue llama and small bells--they really ring..."

There are different lines in our stores. The people in them talk about different things...

We are at ease when a matter does not concern us, and a line is for an article that does not interest us. But something else happens to us when we suddenly see something that we have dreamed of and saw in our imagination. Emotion transforms man, an unwholesome spark appears in the eyes. It may look funny to someone, but often the person does not notice it himself that he looks absurd standing in the line for an item needed by him with only one sweet thought: "I will put it on, come to work, everyone will burn with envy..."

But what is that? Could it be that they are Finnish boots with warm lining and soft soles? I'm lucky! They even have size 40. I must get in the line right away! All arguments and doubts are forgotten.

"Comrades! Who is the last one, I am after you!"

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## HOUSING AND PERSONAL SERVICES

### RSFSR SERVICES MINISTER INTERVIEWED ON NEW EXPERIMENT

Moscow NEDELYA in Russian No 49, 3-9 Dec 84 pp 6-7

[Interview with RSFSR minister of consumer services I.G. Dudenkov by V.A. Platonov, chief editor of the journal BYTOVOYE OBSLUZHIVANIYE NASELENIYA: "A Model for the Service of the Future"]

[Text] Regardless of age or type of employment, we all become clients of the services sphere. What does the services industry offer us today? How are its problems being resolved? What changes have been made in personal services by the economic experiment, which today the RSFSR minister of consumer services discusses with readers? These are the main themes of each edition of our journal. They are also reflected in this edition. The journal BYTOVOYE OBSLUZHIVANIYE NASELENIYA (which has been published since 1912) is read not only by sector workers, for whom it is a medium for the exchange of experience and the discussion of acute questions, but also by those who make use of services. The journal offers its readers various kinds of advice about domestic economics, handicrafts, the furnishing of apartments. In the journal one familiarizes oneself with the upcoming fashions in clothing and hair styles, and learns about the new forms of services.

Since 1 July 1984 an economic experiment in personal consumer services has been underway in Astrakhan, Ivanovo, Kemerovo, Saratov and Yaroslavl oblasts. Altay Kray, the Bashkir ASSR and the Komi ASSR. From 1 January next year personal services in another 23 territories of the RSFSR and a number of oblasts in the Ukraine, Belorussia, Latvia, Lithuania and Estonia will switch to the new system.

What have the first 4 months of operations under the conditions of the experiment shown? What kinds of services are we being offered? Vladimir Aleksandrovich Platonov, chief editor of the journal BYTOVOYE OBSLUZHIVANIYE NASELENIYA, and Ivan Grigor'yevich Dudenkov, RSFSR minister of consumer services, discuss this.

[Question] Ivan Grigor'yevich, when we talk about the problems connected with the services sphere, they are called not simply everyday but social and everyday. What is the essence of the experiment in personal services, and what is its social necessity?

[Answer] Its essence is very accurately expressed in its name: extending economic independence and strengthening the interest of production associations and enterprises in satisfying more completely consumer demand for services. Its aim is to improve standards, enhance quality, and insure observance of schedules for the completion of orders, that is, to organize work in such a way that it does not result in complaints from the people who go to the services for help. And, incidentally, each day about 13 million people throughout the country do go to the services for help!

There was a time, and, unfortunately, a quite long time, when everything connected with everyday life was regarded as a private matter for each individual and had no connection with our social life. And so consumer services were, as it were, a secondary matter: services are fine, they said, but we can get by without them. It turned out that this is not so. The tempo of our lives is increasing, the tasks facing each person at his place of work are becoming more complex, and the very tenor of life itself is changing. What was yesterday only something to be desired has today become a real necessity. Consumer requirements for the most varied kinds of services, effective consumer demand, and the rising level of standards all led to a certain contradiction in practical services operations. A trip to a personal services enterprise could take a person half a day, what with the looking around, the journey, and the standing in line. And, indeed, much depends on a person's attitude after he has left a services enterprise: his labor productivity, a healthy, conscientious atmosphere in the collective and in the family... Personal services promote the saving of state resources and safeguard society's past labor. If our enterprises operated faultlessly this would help a great deal in lowering consumer demand for new articles. It has been calculated, for example, that each year repairs done on watch mechanisms throughout the country amount to the equivalent of the production of 15 million new watches, while shoe repairs are the equivalent of 30 million pairs of footwear. By freeing workers from domestic work and offering them an opportunity to participate in the sphere of public production, the development of personal services is promoting the more efficient utilization of labor resources. According to the research figures, through its operations the personal services sphere is increasing the country's labor resources by a nominal 7 million to 9 million people. This is why we talk about the social significance of improving and developing personal services for consumers.

[Question] In one letter to our editorial office a woman complained that after 2 years of traveling around to the workshops she has been unable to find anyone to braze a spout on an old samovar. Many such letters also arrive in NEDELYA and other publications. They say that it is troublesome and unprofitable to do small repair jobs for people. What economic levers is the experiment using in order to change this attitude toward orders?

[Answer] The operation of personal services enterprises used to be evaluated according to numerous accounting indicators--dozens of them. Now, only three indicators count for the enterprises involved in the experiment: volume of personal services sold, distinguishing the volume of services in rural localities, and services paid for by consumers. I would like particularly to stress the third indicator--consumer services. For the sector carries out both individual orders and orders from enterprises. For example, in order to fulfill the plan the managers of a furniture factory should concern themselves with advertising, recruiting skilled craftsmen, and finding original accessories. The individual client is exacting and finds fault with any kind of scratch. It is much easier to offer a neighboring enterprise work chairs, shelving and stepladders. A large order is easier to meet. And then you have the plan. Now we have specially distinguished individual orders. In this way the accounting indicators point the sector to more difficult but from the social standpoint more important work.

[Question] Ivan Grigor'yevich, pardon me, but the volume of services is the total amount of money in rubles, obtained from filling orders. The press has been criticizing this indicator for years. But what about quality and the standards of service? Violated schedules, reject work and refusals to provide services can be hidden behind the "volumes" and the "rubles."

[Answer] There is no contradiction here. The volume of services, particularly chargeable consumer services, subsequent to the meeting of orders is a synthetic indicator that also implies both quality and standards. Judge for yourself: if the public is dissatisfied with the work of a workshop or atelier then it will not obtain its necessary indicators.

[Question] But is it profitable for the workers to "satisfy"? As the orders increase so do the worries...

[Answer] Of course it is profitable! Their wages depend on it directly. Special incentive is being offered for new kinds and forms of services, as for example services offered at the work place and place of residence, rush orders, and also the repair of complicated, rare and unique items. The craftsmen now have an interest in extending their range of services. If one comes to mend a television set in one apartment, for example, and then, on his own initiative, repairs all the sets in the apartment building: he goes round asking "is everything OK?"; and it turns out that some people have simply been too busy to call a repairman. Now, the more services an enterprise offers, even small jobs, the more its workers will earn!

In addition--and this is very important--the collective itself, without interference "from above" will plan the number of workers employed, the incentive fund, and the production and social development funds and so forth. Independence is being given to the enterprises so that they can plan their operations economically and on a substantiated basis. Apart from an insignificant deduction into the state budget (8-10 percent) all profit remains at the disposal of the enterprises, which can use it at their own discretion.

[Question] I would like to touch on the question of sector personnel. As far as I know, both in the past and even this year the services sphere has been operating with virtually no extra recruitment. Neither is any increase in the numbers of personnel expected during the next five-year plan. Is, then, everything being staked on technical progress and increased labor productivity? Even though within the sector there is much work where equipment does not play a decisive role and things must be done by hand? Where are these hands to come from?

[Answer] There are reserves and we are trying to find them. In short: persons holding down more than one job, pensioners, home workers, students. Permission has been given to include in the brigades of repairmen engineers from the same enterprise where the brigade works. Such a specialist can repair one or two television sets or refrigerators in his spare time. True, the brigade will not take every engineer; it has this right. If a specialist with a higher education does not bring anything progressive, appropriate to his level of knowledge and training, the brigade does not need him.

We are also considering recruiting the "moonlighters" [shabashniki] to our side. It must be confessed that we are still not as good as they are. For example, in the maintenance of apartments. Admit it, you must have opened your door at some time to find the intelligent young man there with his "diploma" in hand asking: "Can I fix your casement window or put a heat seal around your balcony window?"

[Question] Yes, I have. But that is not the question. Will this kind of "moonlighter" want to work in a personal services establishment? Is it not more profitable for him to work alone?

[Answer] And this is my answer: for the person who goes about knocking on doors, it might be more profitable: he has no clientele. And indeed, "moonlighting" is not a professional category but primarily a moral one. It is not everyone, even those who can work and want to work, who agrees with just making the rounds of the houses. There are many people who are simply uncomfortable, if you will pardon the expression, about walking around and begging. But we shall conclude contracts with them, give them an address, provide materials and tools, and, in the final analysis, give them certification. Now they are workers and can offer their services without shame. I assure you that many would like to do this. Incidentally, these kinds of specialists are needed particularly in the countryside: a physics teacher, for example, is quite capable of repairing television sets, while a kolkhoz vehicle operator can after some training repair separators or washing machines.

[Question] The experiment started on 1 July this year. I realize that in terms of results this is only a short period...

[Answer] No, why should it be? The new management system has turned out to be so efficient that in those regions where the experiment is being conducted services have obviously improved: rush-order services--"same day service"--have increased significantly, a start has been made on home deliveries, and the range of services has been extended. And what is even

more significant, the rates of increase for individual clients have been considerably higher than growth rates for overall volumes of personal services. The incentives work!

But we shall not be in any hurry to draw conclusions. The experiment is being studied not only by the labor collectives but also by us, the central apparatus, and the planning organizations. This is a lively, creative business. We all know how it has started. It is difficult to say what the final results will be, what innovations and improvements practical work will bring to the economic and management mechanism in the services industry. But one thing can be said with confidence: personal services for Soviet people are getting better. As is known, the Comprehensive Program for the Development of Consumer Goods Production and the Services System for the Period 1986-2000 is now being drawn up. The experiment and the dissemination of experience from it to the entire system of personal services will become an integral part in the fulfillment of that program.

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HOUSING AND PERSONAL SERVICES

EFFORTS MADE TO IMPROVE SERVICES, INCREASE LEISURE TIME

Moscow EKONOMICHESKIYE NAUKI in Russian No 7, Jul 84 pp 109-111

[Article by T. Lisyuk, candidate of economic sciences (Rovno): "The Service Sphere and Leisure Time"]

[Text] It is well known that the classics of Marxism-Leninism regarded free time as a product of historical development.<sup>1</sup> The magnitude of the free time depends on the level of development of social labor productivity, while the social trends of its use is determined by the system of dominant production relations, by the fundamental economic law of social formation. Under the conditions of socialist production relations the realization of free time is directed at solving the problems of building communism; it is a condition of the multi-faceted spiritual and physical development of human beings--the principal productive force of society.

Within a comparatively brief historical period of time socialism has provided an extremely significant magnitude of free time, which for industrial workers, for example, has reached 1700--1900 hours per year, while for the population as a whole it amounts to 1/5 of its entire fund of time.<sup>2</sup> The more extensive free time becomes, the more possibilities society has at its disposal to satisfy human needs for multi-faceted creative work and for assimilating the achievements of culture. The increase and fruitful use of free time functions as one of the most important forms of manifesting the fundamental economic law of socialism. Deepening the action of this law and the ever-increasing fullness of its realization under the conditions of developed socialism dictate the necessity for implementing measures not only to further increase the amount of free time but also to improve its structure.

No small role here is being played by the development of sectors in the non-production sphere (in the broad sense of the word--the service sphere), which, with regard to the increase and optimal utilization of free time, can be divided into the following two large groups: 1) sectors facilitating the increase of free time (for example, trade, by means of introducing progressive forms of it, everyday services, by means of expanding and improving the structure of the services rendered, etc.);<sup>3</sup> 2) sectors facilitating its optimal utilization (culture, public education, etc.).

If, in particular, we are speaking about improving trade, it serves to increase free time by means of reducing the outlays of time required to purchase

goods. The 26th CPSU Congress assigned the task of "raising the level of trade service to the public, utilizing all measures to develop progressive forms of trade. Improve the sales of goods by the self-service method, pre-orders to be taken at the places of employment and residence, as well as sending items by parcel. Increase the delivery of items to the trade network in packaged form."<sup>4</sup>

The population of the USSR annually spends about 40 billion man-hours to acquire goods; this is equal to an annual working time of 20 million persons.<sup>5</sup> This, of course, is a very great outlay of time. But the essence of the matter lies not only in its absolute magnitude but, to no less a degree, in the irrationality of its structure. Considerably more than half of this time is spent by shoppers not on the service process itself but rather on waiting in line as well as in getting to the trade enterprises and back. Of course, it is impossible to completely exclude such outlays of time, but we must search out and put into practice reserves for curtailing them.

Experience has shown that converting trade enterprises to self-service by means of such forms as self-service department stores ensures not merely an increase in goods turnover per employee but also no small savings in time for the shoppers: up to 44 minutes a day.<sup>6</sup> Self-service, of course, is not the only or even the principal form of trade which allows for a savings of the shoppers' time. Even more effective from this point of view is delivering items to the home. Such a form of trade is still encountered quite rarely, even though its benefits are indisputable. And not only for the shopper but also for the trade enterprises: because, of course, the delivery of goods to the home is paid for by the purchaser.

Still another form of trade which allows the shoppers' time to be saved is that of parcel delivery, a form which is designed primarily for inhabitants of those places where a sufficiently well-developed stationary trade network has not yet reached. Just such a role is also played by transport trade. Both of these forms, however, have not become substantially widespread; thus, the proportion of parcel-type trade goods turnover within the total amount of retail trade goods turnover has not even reached 1 percent.<sup>7</sup>

Mechanization of the labor of trade employees is likewise of great importance for curtailing the outlays of time on the purchase of items. According to data of the All-Union Scientific Research and Experimental-Design Institute of Trade Machine Building, the use of computers in stores allows an increase by a factor of 3.7 in the labor productivity of cashier-checkers. As a result, the shoppers in such stores will be able to make a total daily saving of approximately 4,000 hours for their own needs.

Likewise extremely large in the expenditure of free time is the proportion of its outlays devoted to housework. For the country as a whole such activity takes up approximately 125 billion man-hours, which is equivalent to the labor outlays of 60 million industrial workers during the course of a year.<sup>8</sup> Moreover, women lose twice as much time here as men. Among women in the worst situation are those who have children. V. I. Lenin ascribed the utmost importance to eliminating the losses of time spent on such needs. Thus, he wrote: "The true LIBERATION OF WOMEN, true communism, will begin only in places and at times where and when a mass struggle will begin ...against such petty housework, or, to put it more correctly, a MASS RESTRUCTURING of it into a large-scale socialist economy."<sup>9</sup> *(passages in all caps printed in italics)*.

Such a struggle is being waged in the socialist society, but it is still far from finished, and we must undertake further considerable efforts, without which, as has also been noted on more than one occasion, it is impossible to fully optimize free time. Curtailing outlays of time in housework requires it to be more completely furnished with the means of up-to-date equipment, as well as the socialization of a number of its functions based on developing the service sphere. Studies have shown that when mechanization is used in housework, the outlays of time, for example, spent in cleaning up a room, polishing the floors, can be curtailed by 50 percent, that spent on washing and ironing, taking care of clothes --by as much as 60 percent. By making extensive use of household appliances and tools, a family of four can save 1.5 hours in cleaning rooms and 1.1 hours in taking care of clothes.<sup>11</sup> On the whole, the use of household tools and appliances curtails the time spent on doing housework tasks by a factor of 2--3.<sup>12</sup> The importance of these reserves may be judged by the fact that, according to the data of sociological investigations, a woman spends annually on washing and ironing underwear and linen about 210 hours, on washing floors--approximately 70 hours, on cleaning and storing clothes--almost 290 hours. All of this amounts to time which is equal to 80 workdays.<sup>13</sup> But the use of the services of everyday service enterprises permits a reduction of housework by approximately a factor of 6.<sup>14</sup> During the 11th Five-Year Plan measures have been provided and are being implemented, aimed at expanding the types and increasing the volume of services connected with lightening housework. There is every justification for counting on further development of this trend within the service sphere.

While improving the economic mechanism, introducing new organizational forms, we need, above all, to be concerned about conveniences for people, about conserving their strengths and time. In particular, it would be feasible to review the existing regulations on public services, which frequently place the visitor, shopper, and customer in an unequal situation with the everyday service enterprises, to draw more extensively into working in them persons on pensions, students, to provide the appropriate services with specialized transport.

We must be concerned enough to see to it that working people obtain services closer to their places of employment and residence. Indicative in this regard is the experience of enterprises of Saratov's Zavodskiy Rayon. Having combined their funds, they erected a House of Everyday Services, and a total of more than 100 plants and factories of Saratov Oblast during the present five-year plan will have invested 12.5 million rubles in order to develop services.<sup>15</sup> As a result, in courtyards comprehensive reception points, everyday-service workshops, stores, and counters for receiving orders have begun to appear.

In speaking about the role played by the service sphere in increasing free time, we must likewise not fail to turn our attention to the development of municipal services. Merely due to raising the degree of good residential facilities (central heating, indoor plumbing, trash collection, and the like) the free time of employees in the national economy of the urban population is increased by approximately 1.4 billion hours a year,<sup>16</sup> which is conventionally equal to saving the labor of almost 700,000 workers.

An extremely important reserve is cutting down the amount of time spent en route to work. According to the data of D. I. Pravdin, more than 80 percent of those questioned spend up to 1 hour in traveling from their home to their place of employment, while approximately 20 percent spend more than an hour. Some 23

percent of those questioned spend up to 15 minutes waiting for transport, while 20 percent spend more than 15 minutes.<sup>17</sup> Such losses not only decrease the quantity of free time but also worsen its structure; those who live far from their work, as a rule, do not study, and their rest and recreation are passive. And, in contrast, reducing irrational transport outlays normalizes the structure of using free time and leads to its increase.

The service sphere, as has already been noted, plays a large role not only in increasing the budget of free time but also in its better utilization. Today the USSR can rightfully be proud of its most rational structure of free time. This is eloquently testified to by the following data: every Soviet person goes to the movies 16 times a year--3.2 times as much as is true for the United States, 5 times as much as in France, 8 times as much as in Great Britain and the FRG, and 16 times as much as in Japan. There are now 1,691 museums in operation in the USSR. In 1982 the country's museums were visited by 166.1 million persons, as compared with 34.4 million in 1940. In 1982 the country's 615 theaters were attended by 120.9 million persons, as compared with 84 million in 1940.<sup>18</sup>

The Soviet people's everyday life has been firmly permeated by belles lettres and art, while there has been a significant growth in the informed quality of persons concerning the events of domestic and international life. In the Soviet Union today almost 80 percent of the population regularly reads books, 72.3 percent--journals, and 89.5 percent--newspapers.<sup>19</sup> On an average, each Soviet family receives about 6 periodical publications. The private collections of working people amount to more than 30 billion books and pamphlets. Every year the holdings of home libraries increase by 700--800 million copies.<sup>20</sup> If we calculate that in the Soviet Union constant readers are those who acquire at least two books a month, then 58 percent of the readers of belles lettres can justifiably be deemed constant; and in the largest countries of Western Europe the corresponding figure amounts to only 3--5 percent.<sup>21</sup> At the present time more than 25 million persons take part in amateur artistic activities, and this also testifies to a fruitful use of free time. "We wish," Comrade K. U. Chernenko noted, "that people not only be better provided for materially but that they be healthy physically, developed spiritually, and active socially."<sup>22</sup> It has been calculated that in the USSR, to one degree or another, one out of every four citizens over the age of 18 takes part in the day-to-day running of matters of state. The forms of this participation are most diverse: the work of the Soviets--truly representative organs of power, more than 2 million people's delegates and more than 30 million social activists; participation in solving nationwide matters through trade unions, the Komsomol, people's control organs, discussion of important bills and other important documents; participation in rural assemblies; introduction of proposals for improving the work of the state organs, criticism of shortcomings, articles in the press, letters and oral messages from working people, etc.<sup>23</sup>

Rational use by the workers of their own free time is also testified to by the increase of its outlays on education and self-education. Thus, in the USSR one inhabitant spends on education, on an average, six times as much time as in the United States, including a working man--seven times as much, and a working woman--five times as much.

Among the existing problems regarding better utilization of free time the following two may be singled out: evening out the free time between men and women, evening out the free time between the urban and the rural populations.

In order to even out the free time between women and men, the socialist state is carrying out measures directed at further expanding the network of pre-school institutions, extended-day and boardingschool groups for schoolchildren, the development of a network of everyday services, etc.

According to research data, the outlays of time on rearing children, highly cultural types of activity and leisure amounts at the present time to about 20 hours a week per kolkhoz member and 26 hours per worker and office employee, or 12 and 16 percent respectively of the weekly time budget. Moreover, the outlays of time for higher types of cultural activities--self-education, creative occupations, social work, etc.--amount, on the average, per worker and office employee to 17 percent of the weekly time budget, while per kolkhoz member this amounts to 13 percent.<sup>24</sup> For the rural population the problem of evening out with the urban population as regards the scope and nature of the use of free time has the following two aspects: first, the free time of rural inhabitants is still significantly less than it is among the urban population; second, among the rural population the conditions for using free time are still worse. This is conditioned, above all, by the difference in the nature, organization, and schedule of the work, the lagging behind of the village from the city in the sphere of everyday life. Therefore, at the given stage of our society's development the elimination of the difference in the quality of free time is based primarily upon eradicating the boundaries between the city and the village (in which an essential role is to be played by the service sphere), as well as between various types of labor with regard to conditions, contents, and nature.

#### FOOTNOTES

1. See: K. Marx and F. Engels, "Soch." [Works], 2nd ed, Vol 46, Pt II, pp 215-222; V. I. Lenin, "Poln. sobr. soch." [Complete Works], Vol 2, p 299.
2. See: V. D. Patrushev, "Ispol'zovaniye sovokupnogo vremeni obshchestva" [Utilization of Society's Aggregate Time], Moscow, 1978, p 151.
3. Trade and everyday services here are considered not from the standpoint of creating an aggregate social product and national income (from this standpoint they are essentially sectors of material production), but rather by proceeding from their importance in the organization and the level of service to the public; when such an approach is taken, it seems to us justifiable to consider them together with the non-production sectors.
4. "Materialy XXVI s"yezda KPSS" [Materials of the 26th CPSU Congress], Moscow, p 179.
5. See: L. Baranova, "Berech' vremya pokupatelya" [Conserve the Shopper's Time], EKONOMICHESKAYA GAZETA, No 30, 1982, p 17.
6. See A. L. Maksimov, "Rabocheye i svobodnoye vremya v usloviyakh razvitiya sotsializma" [Working and Free Time under the Conditions of Developed Socialism], Moscow, 1981, p 78.

7. See: EKONOMICHESKAYA GAZETA, No 30, 1982, p 17.
8. See: A. A. Ustenko and V. A. Shindler, "V interesakh trudyashchikhsya" [In the Interests of the Working People], Kiev, 1980, p 129.
9. See: V. Kryazhev, "Socio-economic Development and the National Well-being," SOTSIALISTICHESKIY "RUD, No 5, 1981, p 7.
10. Lenin, Op. cit., Vol 39, p 24.
11. See A. I. Kocherga, "Sfera obsluzhivaniya naseleniya: regional'nyye problemy" [The Public-Service Sphere: Regional Problems], Kiev, 1980, p 210.
12. See: L. E. Kunel'skiy, "Zarabotnaya plata i stimulirovaniye truda: sotsial'no-ekonomicheskiy aspekt" [Wages and Work Incentives: The Socio-economic Aspect], Moscow, 1981, p 137.
13. See V. I. Dmitriev, "Bytovoye obsluzhivaniye: zakonomernosti razvitiya, spros" [Everyday Services: Principles of Development and Demand], Moscow, 1975, p 15.
14. See: Kunel'skiy, Op. cit., p 137.
15. See: "The Sphere of Personal Services," PRAVDA, 11 January 1983.
16. See: Kocherga, Op. cit., Moscow, 1979, p 121.
17. See: D. I. Pravdin, "Razvitiye neproizvodstvennoy sfery pri sotsializme" [The Development of the Non-Production Sphere under Socialism], Moscow, 1976, p 113.
18. See: "Narodnoye khozyaystvo SSSR v 1982" [The National Economy of the USSR in 1982], Moscow, 1983, pp 484, 485, 487; "My i planeta. Tsifry i fakty" [We and the Planet: Facts and Figures], Moscow, 1982, p 201.
19. See: "The Most Reading Country," ARGUMENTY I FAKTY, No 22, 1982, p 15.
20. See: L. A. Umanskiy, "Rost narodnogo blagosostoyaniya v SSSR" [Growth of National Well-Being in the USSR], Moscow, 1983, p 109.
21. See: I. Pankov, "The Right to Rest and Recreation under the Conditions of Two Systems," ARGUMENTY I FAKTY, No 31, 1982, p 21.
22. K. U. Chernenko, "The People and the Party Are United. Speech at a Meeting with Voters of the Kuybyshev Electoral District in the City of Moscow on 2 March 1984," March, 1984, p 7.
23. See: E. Kuz'min, "The State and the Individual," ARGUMENTY I FAKTY, No 39, 1983, p 2.
24. See: VESTNIK STATISTIKI, No 6, 1981, p 79.

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CONSUMER SECTOR POLICY AND ECONOMICS

GLUSHKOV ON EFFECTS OF RETAIL PRICE CHANGES

Moscow AGITATOR in Russian No 19, Oct 84 pp 27-29

[Article by N. Glushkov, chairman of the USSR State Committee on Prices:  
"Pricing Policy: in the Interests of the People"]

[Text] The retail price reductions for many goods that went into effect on 1 September 1980 represent a new step in the consistent implementation of CPSU social policy aimed at raising Soviet people's living standards.

Retail price reductions have been effected for mass goods in everyday demand. The reductions cover many kinds of clothing made from artificial and synthetic materials--sewn goods, haberdashery, hosiery goods, knitted outer garments and underwear--and a number of cultural and everyday and domestic items, including electric record players, electric turntables, mopeds and certain others.

The prices of about 60 kinds of medications used to treat cardiovascular, asthmatic and other diseases have been lowered. Some medications used in the treatment of cardiovascular disease have been made on average more than one-third cheaper. Thus, ethmosine, an antiarrhythmic, now costs R1.27 instead of R1.90, while the price of kavinton has been reduced from R5.77 to R3.52. Kordaron has become 17 percent cheaper, while the price of inderal has been almost halved. A number of antibiotics--klaforan, vibramycin, kefzol and others--have been made an average of 11 percent cheaper. Antiinflammatory agents, in particular drugs used to treat rheumatism, have been made an average of 26 percent cheaper. The prices of a number of antiasthmatics, anticonvulsives and certain other drugs have been significantly lowered.

One feature of the retail price reductions put in effect on 1 September is that many goods for children have been first and foremost made cheaper (as a rule by 30 percent). These items include clothing, blouses, lightweight clothing, knitted articles made from artificial and synthetic materials, overcoats and jackets made from artificial fur, and certain other items. No such extensive reductions have ever been made previously for children's clothing.

As they acquire goods at the new reduced prices the population will receive a direct gain of R2.2 billion annually.

At the same time, with effect from 1 September a seasonal cut-price sale was initiated in the retail trade network, and the temporary retail prices of many new "N" index goods were abolished. During the seasonal sales, which started last year in our country, perfectly good articles that for some reason have not been sold during the season, are offered at reduced retail prices. The public will definitely gain by purchasing goods at prices reduced by up to 40 percent.

Taking into account the fact that this is the fourth retail price reduction and the third seasonal sale of goods over the past one-and-a-half years, the public's total gain during this time amounts to a substantial sum--more than R9 billion.

The new retail price reduction is yet another graphic proof of the fact that within the USSR planned pricing is an integral part of the entire economic mechanism, and that our price policy is aimed at satisfying more fully the growing material and cultural demands of Soviet people. The great and complex task of saturating the market with consumer goods is being resolved while maintaining a steady level of state retail prices, and, as the essential conditions are created, reducing the prices for individual kinds of goods. The decisions of the 26th CPSU Congress determined that social development and improvements in the people's well-being will in the future also be accomplished under conditions of stable state prices for basic foodstuffs and nonfoodstuffs.

A system of stable retail prices guarantees steady growth in the public's real income. Let us remember that over the past 20 years real incomes have almost doubled.

The retail prices for basic foodstuffs, including bread, bakery and macaroni items, groats, vegetable oil, and most kinds of fish and canned goods, remain at the 1955 level, while meat and dairy products remain at the 1962 level. Stable prices are being maintained for the available range of clothing, footwear and many other kinds of everyday consumer items, and also charges for housing and municipal and transportation services.

In order to insure long-term stability for prices for the basic consumer goods and services the state annually spends substantial sums. The need for these kind of subsidies results from the fact that retail prices for many goods, mainly foodstuffs, do not cover production costs. Here, the gap between retail prices and costs for a number of goods has significantly increased in recent years because of the increase in product prime costs in the extraction sectors of industry and in agriculture.

In 1983 alone more than R40 billion were used from the state budget to cover the difference between state costs for the purchase, processing and marketing of meat and dairy products and the existing retail prices. The state makes substantial subsidies to provide the population with potatoes, vegetables, and a number of children's articles, school articles and certain other goods. Each year more than R6.5 billion are allocated from the state budget for the upkeep of housing and the maintenance of municipal services in connection

with the low level of rents for apartments and other tariff scales. As is known, payments made by consumers for apartments and municipal services do not cover even one-third of the actual costs of these items.

Thus, in our country retail prices for most foodstuffs, standard clothing and footwear, many articles for children, and other items, and also for housing and municipal services and public transportation, are maintained at a relatively low level. In this way the government insures equal access to these essential goods and services by all strata of the population regardless of the level of monetary incomes received. The prices for these kinds of goods are set on the basis of socially necessary costs, and necessarily with consideration of differentiation in the public's monetary incomes.

A relatively higher level of retail prices has been established for certain nonbasic goods, including jewelry made from precious metals, light cars and gasoline, carpets, articles made from crystal, and original innovations in domestic equipment, particularly fashion items. In cases where shortages of raw materials or capacities exist for the production of nonessential goods, imports have also been restricted, and higher retail prices as a natural constraint on demand have been used. The same can be said of goods for which demand should in any case be restricted by all means possible, including price constraints. For example: wine and vodka and tobacco products. On the other side of the coin, prices for clothing made from synthetics, watches, television sets, refrigerators, and radio and electrical goods have been consistently lowered, while as production increases and market saturation is reached, the prices of temporarily more expensive goods have also been reduced.

Over the past 20 years the index of state retail prices has risen countrywide by only 10 points. Given the considerable increases in wages (for workers and employees they have almost doubled), kolkhoz farmers' monetary incomes, pensions, grants, and other payments and privileges from the public consumption funds, this has had virtually no effect on workers' real incomes. As is known, for example, consumer saving at the saving banks and consumer debt are constantly increasing.

The chief condition for insuring the stability of state retail prices is the increased production of consumer goods and extension of the range of paid services, with unconditional improvement in the efficiency of social production.

On this basis commodity and financial resources grow and the market is increasingly saturated with goods meeting the requirements for quality and range for consumers' differing demands. In this way real conditions are created not only for maintaining retail price stability but also for retail price reductions.

As a result, consumer demand is constantly growing. In 1983 retail trade turnover in state and cooperative trade almost tripled compared with 1965, and the most significant sales were for consumer durables--radio products by a factor of 4, electrical goods by a factor of 3.7, refrigerators by a factor of 3.2, furniture by a factor of 3.4, light cars by a factor of more than 23, and so forth. During the same period sales of clothing, linens,

headgear and furs tripled; sales of footwear increased by a factor of 2.5, of knitted articles and hosiery by a factor of 3.6, and of china and porcelain, majolica and glass items by a factor of 5.5.

The Food Program adopted at the CPSU Central Committee May (1982) Plenum, and also the comprehensive program for the development of consumer goods and services now being drawn up, are playing a special role in saturating the market with all essential products and goods.

Consumer requirements with regard to the range and quality of goods have now grown significantly, and the range of consumer demands has become much broader. While steady demand has been maintained for inexpensive, good-quality goods, demand for high-quality goods has increased sharply and become more dynamic, and exactingness with regard to consumer qualities, innovation and fashion has grown. This assumes an increased and active stimulatory role for prices and greater price differentiation depending on quality, artistic design, degree of innovation, originality and new consumer qualities.

Retail prices have been established for all consumer goods produced in the national economy and sold to the public. The list contains more than a million items. The existing price system creates conditions for the production of various items in line with the demands of consumers who have different income levels.

In our country price forming stimulates, in particular, the production of inexpensive goods of important social significance. These are primarily products for children. For example, in order that enterprises that produce children's furniture should not incur losses connected with the higher costs of raw materials and materials the wholesale prices have been set higher than the retail prices. In order to support the relatively low level of retail prices for children's sewn articles (given the relatively small differences in materials and labor costs in the manufacture of these kinds of goods for children and for adults), the state offers special rebates off the retail prices of fabrics used for children's clothing. Thus, the factories obtain wool and semiwool fabrics used to make school uniforms at a 35-percent rebate off the retail price; cotton fabrics are obtained at 50 percent rebate. As a result, the retail prices for children's sewn articles are considerably below those for similar articles for adults. By supporting a relatively low level of retail prices for goods in the children's range the state makes these goods available to all strata of the population.

The policy of favorable retail prices for children's goods is pursued constantly and consistently. In order to make these goods less expensive and make them available to every family, each year the state spends about Rl billion from the budget. And, taking into account the price reductions in effect from 1 September, which affect primarily children's clothing, these costs will be rising significantly.

At the same time the pricing system is designed to reinforce industry's interest in producing high-quality, fashionable goods. As a rule better consumer properties and quality and renewal of the product range are associated with extra production expenses. Enterprises should be compensated

for these expenses, otherwise they will not be interested in expanding the production of articles enjoying greater demand. To this end temporary prices have been established for better quality new products in the "N" index, formed from the permanent prices plus a temporary addition. Temporary retail prices are set for a limited period and at the end of this period they are abolished and the permanent prices are applied.

The so-called contract prices for the first test batches of nonfoodstuffs, especially fashion items, also promote the increased production of high-quality goods and renewal of the product range. These prices are determined according to agreements between industry and trade, but they should not exceed certain set limits. After the first batch of products has been marketed using the contract prices and demand elucidated, if production continues prices are established under the normal system, that is, as applied to the existing retail prices for similar products, taking into account quality and other consumer properties.

In this way prices insure economic advantages for enterprises that produce new goods of better quality, particularly fashion goods, while at the same time the interests of purchasers are fully considered.

Further improvements in pricing will take place with undeviating observance of party decisions on the stability of retail prices for basic foodstuffs and nonfoodstuffs. Guaranteeing this stability and consistent reductions in the prices of nonfoodstuffs are possible only with a steady increase in the volumes of production and improvements in quality, and preferential labor productivity growth and lowering the prime costs of production in all sectors of the national economy. Like improvements in the well-being of Soviet people in general, prices depend wholly on better, more productive work by every collective and every worker in our country.

When reviewing questions of reducing retail prices from 1 September 1984, the CPSU Central Committee pointed to the need to further increase the production of consumer goods and improve their quality, and to strengthen the work of the labor collectives in lowering product prime costs and increasing labor productivity as an indispensable condition for the creation of extra material and financial resources for the successful fulfillment of the social program for the current five-year plan.

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CONSUMER SECTOR POLICY AND ECONOMICS

MOLDAVIAN LIGHT INDUSTRY DEPUTY ON ECONOMIC EXPERIMENT

Kishinev SOVETSKAYA MOLDAVIYA in Russian 25 Nov 84 p 2

[Interview of Moldavian SSR First Deputy Minister of Light Industry Il'ya Nikolayevich Stefanov by A. Dashkevich: "Using Experience as a Guide for Advancement"]

[Text] The improvement of the machinery of economic management is an important means of economic intensification. The steps taken by enterprises participating in the economic experiment testify that the right choice has been made. The more extensive self-sufficiency and responsibility of labor collectives are helping to improve the operational style and methods of economic administration on all levels and to enhance production efficiency considerably. As speakers noted at a meeting of the CPSU Central Committee Politburo after draft plans for the social and economic development of the country and for the last year of the five-year plan had been discussed, another 21 union and republic ministries have decided to take part in the experiment. The Moldavian SSR Ministry of Light Industry is one of the ones which will start operating in the new manner in 1985.

Our republic's first deputy minister of light industry, I. Stefanov, answered our correspondent's questions about the preparations for participation in the experiment.

[Question] At a seminar of the chief specialists of enterprises participating in the economic experiment, I heard an extremely interesting and concise description of the new method of work: Doing more, and doing it better and faster. This means that the accumulation of experience and the achievement of successes in each of these main areas will make the advantages of the experiment more "tangible." In connection with this, can you tell us, Il'ya Nikolayevich, what kind of "foundation" will be laid for the experiment in your sector?

[Answer] Of course, in their preparations for the new method of operations, labor collectives are seeking ways of increasing output and improving product

quality. This is being promoted by the clearly stipulated objective of intensification. For example, more than 4,000 pieces of new technological equipment have been installed and 500 new techniques have been incorporated at enterprises during the current five-year plan. This has resulted in the hypothetical freeing of over 2,000 workers and a savings of 10 million rubles.

Enterprises have renewed and augmented their equipment supply by establishing highly productive automatic looms. These now account for 58 percent of the total. Almost half of the knitting machines are now pneumatic. This is a significant advance.

A comprehensive program for the reduction of manual labor in our sector was drawn up and has been carried out successfully in recent years. In accordance with this program, measures have been taken to transfer more than 600 workers from manual to mechanized operations and to reduce the percentage of manual labor to 30.3 percent.

Obviously, all of these important achievements have made labor collectives feel more confident. This is the reason for the more distinct signs of attempts to approach work with efficiency and initiative. This is heightening the prestige of the factory trademark. Judge for yourself: The output of products with the State Emblem of Quality has been almost 10 percent higher this year than it was last year by this time, and the output of items with the best commercial features, with the "N" index, has increased 1.7-fold.

Conservation efforts have become more distinct. According to preliminary estimates, 5.6 million rubles will be saved this year, and this will reduce overhead costs by 0.52 percent. Here is an example of how much more interest is being taken in the use of by-products. Whereas in 1980 these products were used in the manufacture of items worth 3.6 million rubles, the figure this year will be 6.3 million.

Preparations for the experiment will require enterprises and associations to take a qualitatively new approach to the 1985 plan. Production growth and efficiency reserves will be taken into account more fully in this plan. This is being promoted by considerable explanatory work, so that each worker and each specialist will be fully aware of the collective and personal advantages of the successful fulfillment of plans. The experiment will guarantee quite sizeable raises. For example, it has been estimated that ministrywide material incentive funds in 1985 will exceed the projected funds for this year by 1.4 million rubles. The increase will be even more perceptible for many enterprises and associations. For example, funds per worker at the Tiraspol Cotton Fabric Association will be almost 100 rubles greater this year and will reach 236.8 rubles.

[Question] It is probably wrong to regard the experiment as a magical force capable of effecting an immediate change in mental attitudes. Of course, the experiment will coordinate the interests of each member of the labor collective more closely with the interests of the national economy. Experience has shown that this requires not only an awareness of guaranteed personal advantages but also the modification of economic thinking.

[Answer] Yes, the experiment is gaining strength and teaching useful lessons. It will be easier for us than for the pioneers, but our responsibility will be just as great, because we will have to use their experience as a guide to catch up with them, and to pass them up if possible. This is the dialectic of reality. This is what the party has asked us to do. Comrade K. U. Chernenko stressed the importance of consolidating and compounding positive advances in our economy and said: "I must say quite definitely that those who are still lagging behind must catch up without delay; those who are keeping up with the plan must catch up with the leaders; and the leaders must not slacken their pace." This will require the correct frame of mind, sense of purpose and awareness of objectives.

Experience tells us that the so-called "human factor" will still be the main thing even in the new method of work. This is why the training of people, extensive explanatory and indoctrinational work and the study of past experience are of primary importance to sectorial headquarters.

The conditions of the experiment are not designed for an automatic effect. They demand heightened activity on the part of technical and economic services and the abandonment of the stereotypical old beliefs about planning and administrative methods. This is why the most serious attention is being given to the training of all ministerial offices to operate in the new manner. Special in-depth training has been organized for the personnel of sectorial headquarters, managers of enterprises and chief specialists. The Kiev branch of the All-Union Institute of Advanced Training for the Administrative Workers of Light Industry has given us considerable assistance in this work.

To improve the analytical and practical training of our largest group of economic students, the workers, we have made changes in training programs and have held seminars with the propagandists of these schools.

[Question] Of course, the success of the matter will be decided on the job--in the shop and the brigade. But the organization of industrywide economic ties and intersectorial contacts is extremely important under the conditions of this experiment. This is why sectorial ministries will play a much more important role under the new conditions. Sectorial headquarters must now perform much more detailed work. The stepped-up assignments will require that each measure be judged according to actual results: the observance of delivery schedules, the improvement of product quality and the augmentation of output.

[Answer] I must agree: This is the time for important decisions. And now that we are preparing for the experiment, there will probably be many more decisions requiring the knowledge, investigation and personal participation of ministerial personnel. This is why we are striving for maximum clarity in the organization of sectorial work. We have specific individuals responsible for the implementation of each of the decisions and projected undertakings of sectorial headquarters.

This is already producing noticeable positive results. The conclusion of agreements with the Ministry of Trade on deliveries and on demand analysis

has been more efficient and more thorough. All of the conditions of agreements on material and technical supply operations have essentially been decided. But we still do not feel that republic Gossnab personnel have been interested or efficient enough in the resolution of these important problems. And after all, discrepancies in the plan pose the greatest danger to the new method of economic management. This is attested to by the experience of those already participating in the experiment.

The commission set up by our ministry to coordinate and manage the preparations for the experiment, headed by Minister G. M. Zhitnyuk, has been particularly concerned with the creation of the necessary conditions for the rapid incorporation of advanced experience. For example, a large group of specialists from the Bendery Silk Combine imeni V. I. Lenin visited their colleagues in Minsk. Now the specific application of the experience witnessed by the Bendery silk workers is being supervised by the appropriate ministerial agencies.

In short, a great deal of work lies ahead. The work will be interesting and intense. This kind of work always adds to our strength and reinforces our desire to embark on more extensive investigations because this is work for the good of our cause, for the good of the Soviet people.

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CONSUMER SECTOR POLICY AND ECONOMICS

IZVESTIYA ORGANIZES OFFICIAL DISCUSSION ON CONSUMER DEMAND

Moscow IZVESTIYA in Russian 14 Nov 84 p 2

[Report by V. Romanyuk, IZVESTIYA economic observer, Moscow; passages enclosed in slantlines printed in boldface and all capital letters: "Goods and Wages"]

[Text] What is the best way to coordinate the population's affordable demand with the quantity of goods on the market?-- This is how the round-table discussion arranged by the IZVESTIYA editors jointly with the Moscow Oblast Committee of the CPSU began.

Taking part in the discussion were N.M. Cherepanov, secretary of the Moscow Committee of the CPSU; A.P. Chubov, deputy head of the Light Industry and Consumer Goods Department of the Moscow Committee of the CPSU; R.F. Chizh, first secretary of the Podolsk City Committee of the CPSU; A.I. Vorozhtsov, chief of the Consumer Goods Section of the Planning Commission of the Moscow Oblispolkom; B.D. Shcherbakov, chairman of the Dmitrov Gorispolkom; R.A. Lavrentyuk, deputy chairman of the Balashikha Gorispolkom; M.S. Kashirina, deputy chief of a subsection of the USSR Gosplan; Hero of Socialist Labor N.I. Bokhanov, general director of the Podmoskov'ye Children's Woolen Fabric Production Association; B.A. Molodtsov, general director of the Orehovo Cotton Combine and deputy in the USSR Supreme Soviet; Hero of Socialist Labor V.G. Semenov, fitter brigade leader at the Podolsk Machinery Plant imeni Kalinin; M.P. Chaplin, general director of the Yunost' Production Association in Dmitrov; A.I. Baturin, director of the Stupino Metallurgical Combine; V.G. Kuz'min, director of the Tsentrrolit Foundry in Kashira; L.A. Meleshkina, weaver at the Monino Worsted Combine; V.M. Loginov, director of the Gzhel' Production Association; V.V. Kostoglotov, chief engineer for the "Kolomenskiy zavod" diesel locomotive production association; and A.A. Komissarov, chief of the Oblast Administration of Industrial Enterprises Employing the Disabled.

Quantity and Quality

I. Cherepanov: I would like to designate quantity and quality as the main subject of our discussion. Moscow Oblast has achieved high rates of growth for

consumer goods production. During the 10th five-year period we succeeded in involving 120 enterprises in the production of goods for the market, and another 140 during the first 3 years of this five-year period. Each ruble in wages produced 1 ruble and 63 kopecks worth of consumer products. The task now on the agenda is that of setting up the production of goods so as to make it possible to respond more dynamically to the rapidly changing demand of the population. We should apparently give some thought to better equipping the consumer goods shops and take a line of setting up flexible production operations which can be readjusted with adequate speed for the production of products needed for the market.

Information: By the end of the five-year period the total production of manufactured items for the market in the Moscow area will approach 10 billion rubles. Moscow Oblast is already producing every sixth meter of woolen and cotton fabrics made in the Soviet Union, more than 15 percent of the rugs and carpeting, 12 percent of the porcelain dishes, all of the home sewing machines, a large quantity of other household equipment, arts and crafts items, and a great deal more.

B. Molodtsov: The Orekhovo Cotton Combine turns out 11 rubles worth of goods for each ruble paid in wages. Product quality remains high, and the goods do not remain a long time in the warehouse.

Question: Is the same thing which occurred with the woolen fabrics not going to occur with cotton fabrics in the near future? At the last inter-republic market in Moscow hundreds of millions of rubles worth of those products were not purchased by trade.

B. Molodtsov: Yes, the cotton fabric trade is leveling off. This means that we need to make a more vigorous effort to renew the assortment. Little chiffon, voile and heavy fabrics--scarf material, material for special clothing and especially jean--is produced in the nation. The trouble is that there is almost no Soviet-produced equipment for turning out such fabrics.

L. Meleshkina: The preparatory department at our Monino Combine has old equipment. And it is the equipment which determines quality, after all. Machines have already been developed in many nations which make it possible to avoid knotting when the thread is broken. We have to weave them into the fabric, however. We developed the Begoniya, an attractive, light-weight fabric and the Orfey fabric, which is popular with the youth. The knots spoil their appearance, however.

N. Bokhanov: Fabric quality begins with the raw material. Unfortunately, the State Standards allow fibers to contain dust, dirt, burs and bromegrass. Furthermore, the /draft of the new standard is even more lenient with respect to flaws and debris in the raw materials/. Our sub-contractors actually do not bear proper responsibility for quality. We fine them, but what is the point. Money is actually just being transferred from one state pocket to another.

M. Chaplin: In the case of clothing industry workers quality also depends upon the entire set of auxiliary materials and accessories. Our association, the

'Yunost', delivers its products mainly to "Detskiy mir." We make jackets, overalls and coats for children, and we are mastering the production of clothing in the sports styles popular with the youth. The children like to have pretty snaps and buckles on their clothes. Snaps are produced mainly in white, but we also need yellow, black and red ones. We need buttons with children's designs. All parents want their children to be well-dressed. The aesthetic indoctrination of our children depends upon how we dress them.

#### The Plant's Second Line

Information: Over 2 billion rubles--this is the contribution of heavy industry in the Moscow area to the market's supply of commodities. Is this a lot or a little? It is an impressive figure, of course. The condition of the trade counters, however, certainly does not indicate that the metallurgists, machine builders, chemists and workers in the construction industry are working with an adequate degree of responsibility to saturate the market with fashionable and inexpensive items. Unfortunately, a considerable number of enterprises get by with producing trifling things for the household and produce items worth a few kopecks per ruble of wage fund. Large enterprises of the Ministry of the Automotive Industry are located in the Moscow area, but they produce goods worth only 10 million rubles. The groups of plants and associations of the Ministry of Heavy and Transport Machine Building and the Ministry of Machine Tool and Tool Building Industry produce slightly more. Ferrous and nonferrous metallurgy plants produce an extremely meager group of goods.

I. Cherepanov: The collective at the "Kolomenskiy zavod" association has been criticised in IZVESTIYA. Perhaps we should begin with it.

V. Kostoglotov: Last year we produced 6.8 kopecks worth of goods per ruble of wages. This year the figure approaches 8 kopecks. That is not much, of course, but in order to produce technically complex but still relatively inexpensive products we need to build large specialized shops.

Question: Well, what is standing in the way?

V. Kostoglotov: The plan for the plant's reconstruction calls for the construction of a consumer goods shop. For now, however, we have converted one of the shops for the production of Kolomna household heaters and carts for tourists.

I. Cherepanov: Let us consider that point. New, specialized shops need to be built, of course. This takes time, and not every enterprise is in a position to build them. This means that we should try harder to find the space, concentrate it and use it for the accomplishment of important national economic tasks.

R. Chizh: A great deal depends upon the ministries. They frequently set assignments for the enterprises which are clearly too low and far from always respond to our proposals for setting up the production of items needed by the population.

Rejoinder from the floor: But the soviets of people's deputies must also exercise their authority in this matter more persistently.

B. Shcherbakov: In our Dmitrov Rayon the soviets try to make active use of their authority. I am frequently asked how we achieved a situation in which all of the rayon's 33 industrial enterprises, which are under 28 ministries and departments, carry out assignments for the production of items needed in the home. /We based our work with industry on a special, comprehensive program approved at a session of the city soviet/. Its fulfillment is monitored by a coordinating council set up under the gorispolkom. The council of directors performs some useful work. Its initiative-taking group visits the plants which decline to produce goods and helps at the site to find additional possibilities. Industrial cooperation has become widespread. Household shopping bags on wheels are popular today, for example. The Yunost' Sewn-Goods Association makes the bags, and a nearby milling machine plant makes the wheels and handles for them.

M. Kashirina: Industry and trade are still not doing enough with the assortment. I can say with absolute certainty that no one at any level of management, whether it be a ministry or an enterprise, has a clear idea of whether their goods will sell. And it is not simply that consumer demand is only superficially defined. The organization of this matter has not undergone any changes for many years. Production units providing raw materials, assembly parts and equipment for the consumer goods shops are being developed extremely slowly. In order for the heavy industry branches to deal more actively with consumer goods, we need to improve both the organization of production and the planning technology. The comprehensive program for developing the production of consumer goods and the system of services for the population therefore calls for establishing the /volume of consumer goods production in retail prices and in physical figures/ in the state plan, beginning in 1986. The new indicator will make it possible to consider all sources for the production of items for the market, to coordinate development of the branches producing finished goods and assembly parts, and to provide the materials for their production.

#### Waste Products--Into Income

This subject evoked lively discussion at the round-table. Industrial by-products and local materials are in fact a significant reserve for supplementing commodity resources. This is what A. Vorozhtsov reported on the matter, however: /Only 100 million rubles worth of commodities are produced from by-products annually in the Moscow area/.

Question: And that is out of 9 billion rubles worth?

A. Vorozhtsov: Yes, it is still not a great deal. Special attention was given to this matter when proposals were worked out for the comprehensive program. We are actively tagging available secondary resources with a view to utilizing not only industrial by-products, but household waste products as well.

Rejoinder From the Floor: But all of this is for the future....

N. Bokhanov: Not just for the future. More than 3,000 tons of secondary wool fibers are used in the Podmoskov'ye Association, in addition to natural wool. We have created practically a waste-free production operation, and this permits us to operate one day a year with the raw materials saved.

A. Baturin: What is the point in processing by-products, if we cannot use them? At the Stupino Metallurgical Combine we have developed a secondary alloy out of waste metal, which we could use for producing a large quantity of corrugated roofing. The USSR Gosplan, however, requires that we use the remnants in the main production operation. We can therefore not permit them to be used for producing commodities.

A. Komissarov: We have a strange situation. There are raw material remnants in the oblast, but it is very difficult to obtain them. Certain enterprises have trimmings from synthetic fur. We do not ask for large pieces. Give us 10- to 15-centimeter scraps and narrow strips, and we shall set up the production of the fur vests in such great demand. The inventorying of by-products is so centralized, however, that it is extremely difficult to obtain anything.

A. Vorozhtsov: It is not just fur scraps which have been effected by centralization. The same is true with respect to remnants of food industry aluminum suitable for producing frying-pans. Gossnab organizations must not only consider remnants from the main production operations, but must also grade them, process them and put them on the level of semifinished products. Instead, many types of products are hauled very long distances. For what? This is the opinion of the oblast planning commission: /We must set up a system under which only that which cannot be processed locally is hauled out of the oblast/.

V. Loginov: The Gzhel' Association makes enameled tin and earthenware articles out of local raw materials, which accounts for almost a third of all the output. We considerably increased the production of decorative porcelain by thoroughly reconstructing the facility. And we have no cause to complain about sales. While we mastered the production of no more than ten new items per year 15 years ago, the figure has now risen to 50, and the quality has improved beyond comparison. We would like to deliver products to the capital, but little funds are allocated for local needs, although, I repeat, we make all of the household items out of local raw materials.

B. Molodtsov: The discussion has turned to the utilization of by-products, but I would like to say something about direct losses to the market. The Orekhovo Combine turns out 200 million meters of fabric annually, and 25 million meters do not end up in the trade system but go for industrial needs. A total of 2 million meters of batiste is used to make ribbons for typewriters and calculating machines. Synthetic substitutes for natural fabrics were developed a long time ago, but they are produced in extremely small amounts.

#### Between The Shop and The Counter

The plain truth is that the consumer "votes" for goods with the ruble. The fate of an item depends upon whether or not it is purchased. It is no secret that relations between industry and trade are far from ideal today. Trade's order is industry's law. Is that "law" always correctly formulated, however, does it always coincide with the real demands of the consumers? This question came up with good reason at the round-table.

B. Molodtsov: Two years ago there was not enough thread in the retail trade system. With this in mind, we effected a basic reconstruction of our thread production operation. We began using tubing (gil'zy) instead of wooden spools, which consumed a great deal of lumber. We brought our output of commercial, spooled thread to 100 million items per year. And what happened? Trade is now refusing to purchase 30 million spools, simply returning them to the combine. This is due to the fact that a large quantity of thread has accumulated at the bases. The capacities have been developed, however, and the product has been manufactured.

Rejoinder From The Floor: Trade is taking advantage of its right to refuse goods 45 days before their delivery date.

B. Molodtsov: Quite true, it is taking extensive advantage of that right, instead of thoroughly studying consumer demand and making up the order accordingly. If this had been done in good time, we could have restructured production to turn out the industrially packaged thread for which there is presently a great need at Yunost' in Dmitrov. This way, we are only filling up the warehouses with products no one needs. I am convinced that /trade's orders should remain constant throughout the year/. We have many controllers and intermediate agents, but we sometimes do not have a real idea of the consumers' needs.

N. Bokhanov: The contracts which we conclude at inter-republic wholesale markets do not assure us of a stable operation at all. The market is just over, but the cancellations are already coming in. All of this disorganizes our work and creates nervousness in the collective. I believe that /it would be expedient to hold a unified wholesale fair for the sale of fabrics and clothing made of them/. There would be fewer disagreements following the fair, and the reciprocal responsibility of the consumers and the suppliers would be heightened.

V. Kuz'min: At the Tsentrrolit in Kashira we need complex press molds, dyes and the corresponding rigging to produce cast furnace iron. It takes 1.5 to 2 years just to set up production. Now it turns out that the market is flooded with similar items, with that very same furnace grating, and we have to begin all over again.

Question: It would seem, then, that it is all a matter of not being informed about demand?

V. Kuz'min: It would be more accurate to say a lack of proper coordination in this matter. The furniture manufacturers needed modern accessories, as an example. The plant set up production to begin turning them out in 1985. Then we unexpectedly learned that the very same items are already being produced in Belorussia. This means that we wasted our time.

A. Vorozhtsov: The USSR Minister of Trade is supposed to coordinate the production of simple items, in agreement with the head ministries. /Before submitting an order, trade should determine what actually needs to be produced locally and what can best be brought in from other regions/. In its work with industry the oblast planning commission is guided mainly by the order from trade.

**Rejoinder From The Floor:** Trade does not especially encumber itself with commitments, however, a fact spoken of here. This means that the oblast planning commission itself should thoroughly study market conditions, especially with respect to goods not centrally planned, and decide how to satisfy local means--and not necessarily by setting up special production units. The coordinating role of the soviets would increase, and there would be fewer troublesome hitches.

**A. Chubov:** A certain amount of work is being done in this direction. The specialized consumer goods exhibits displaying the best Soviet-made and imported items are achieving a great deal. A toy exhibit was held at the Scientific Research Institute of Toys in Zagorsk, for example, at which industrial enterprises received assignments for mastering their production. In view of the fact that many gardening associations have come into being around Moscow, a similar exhibit of gardening and orchard tools was held.

**M. Kashirina:** Proper initiative is still not been demonstrated in this matter, however. The USSR Gosplan has placed assembly parts, assemblies, parts and semifinished products on the same level with finished goods. An important decision was adopted with respect to construction materials for the market: /Enterprises have been authorized to sell to the population non-metallic construction materials--gravel, sand, crushed rock and reinforced concrete items/. And what has come of this? It is planned to sell 800 million rubles worth of materials in this manner, but only 90 million rubles worth has now been sold. The trouble is that the regulations have still not been worked out for trading in these goods, there are no statistical records, and advertising is poorly organized.

There is no question that industry in the Moscow area could provide more items needed by the population for the market. Today, however, it is not the commercial "gross" but the broad range of consumer items which determines whether industry and trade operates successfully. /This involves not so much eliminating the shortage of certain products as much as achieving a basic improvement of quality and mastering the production of fundamentally new goods measuring up to the most demanding tastes of the consumer. A sufficiently representative exhibition could help to achieve this/.

"High production rates and good effectiveness, and well-made products," Comrade K.Yu. Chernenko stressed at the October 1984 Plenum of the CPSU Central Committee, "all of this must become a binding rule for the work of each branch, of each enterprise, should become the work standard for each worker, I would say. And there must be no allowances in this matter"!

The editors hope that the questions raised by the participants in the meeting will be carefully considered in light of demands coming out of the October Plenum of the Central Committee of the Ministry of Machine Building for Light and Food Industry and Household Appliances, USSR Gosnab, Gosstandart and the USSR Ministry of Trade.

/The coordinating role of the soviets of people's deputies in the planning of commodity production at enterprises, regardless of their departmental subordination, and in the development of inter-plant cooperation is especially increasing today/. The discussion demonstrated that the soviets still have a great deal to do in order to fully exercise their authority.

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CONSUMER SECTOR POLICY AND ECONOMICS

IMPACT OF ECONOMIC GROWTH ON STANDARD OF LIVING ANALYZED

Moscow EKONOMIKA I MATEMATICHESKIYE METODY in Russian No 5, Sep-Oct 84 pp 910-920

[Article by A.A. Khandruyev: "Certain Questions on Studying the Standard of Living at the Mature Stage of Socialism"; passages rendered in all capital letters are printed in italics in the original; numbers in brackets refer to the bibliography]

[Text] At a meeting with voters CPSU Central Committee General Secretary Comrade K.U. Chernenko pointed out that, "The ultimate goal of all our work is improving the life of the Soviet people. And we are approaching this on a broad front. We want people not only to be better off materially; we also want them to be physically healthy, spiritually developed, and active in the social respect" [K.U. Chernenko, "Narod i partiya ediny. Rech' na vstreche s izbiratelyami Kuybyshevskogo izbiratel'nogo okruga g. Moskvy 2 Marta 1984 g." (The People and the Party are United. Speech at a Meeting with Voters in the Kuybyshevskiy Election District in Moscow, 2 March 1984), Moscow: Politizdat, 1984, pp 6-7]. Confirmation of the constant concern of the Communist Party and the Soviet State for the living standard of the Soviet people is seen in the party's efforts to implement the USSR Food Program for the period up to 1990; in the development of the complex plan for developing production of consumer goods and the system of services to the populace; and the increasing social direction in national economic planning. At the same time, far from all problems have been solved in the area of increasing the living standard of the Soviet people. The task of economic science consists of focusing attention on them, setting priorities for ways to solve them.

The standard of living is an extremely voluminous and many-faceted socio-economic category, and one cannot say that the analysis of its internal makeup, its indicators and the manner in which they are manifested, have been exhausted. Proportional to the changes in the objective conditions of reproduction, the socialist society is consistently turning to the solution of tasks of ever-increasing complexity in the area of national welfare and the harmonious development of the individual. Various aspects of the study of the standard of living are coming to the forefront, according to the nature of these tasks.

This article is dedicated to certain methodological questions surrounding the concept of standard of living, and specifically, to the problems of the interrelationship of the standard of living and the state of balance of the national economy.

## 1. Methodological Questions of the Analysis of Standard of Living

The formation of the material-technical and socio-economic prerequisites which ensure the steady growth of the national welfare and the spiritual development of the individual are essentially completed at the stage of developed socialism. The colossal productive and scientific-technical potential of our country serves as a firm foundation for satisfying the various material and sociocultural aspirations of the members of society, and opens broad prospects for the gradual intellectualization of labor activity, transforming it into the principal requirement of life. The level of economic development achieved in the course of the socialist transformation of industry and agriculture is such that in principle it permits flexible adaptation of the structure of production to the dynamically developing system of demands, at the same time minimizing the lag between the appearance of new kinds of demands and the creation of conditions to satisfy them.

To a significant extent the problem of to what extent one can sacrifice the needs of the present for the sake of the future, at present--if it has not lost its significance--has in any case lost its former urgency. During the years of recent five-year plans, the consumption fund has shown a tendency toward advantageous growth. In the 8th Five Year Plan, on the average per year, 72.0 per cent of the national income was utilized for the needs of consumption; in the 9th it was 72.3 per cent; in the 10th, 73.8; and for the two years of the 11th Five Year Plan, 74.9 per cent [1, p 379].

However, along with the expanding possibilities for satisfying material and spiritual needs, positive achievements have been made in the structure of the system of preferences of the members of the socialist society. The needs of ever-broader groups of the population gradually began to emerge, as already noted in our economic literature, in the zone of elastic demand--the satiation of which contains elements of the provisional and uncertainty. In this situation the action of the law of increasing demand took on the features of a cumulatively ongoing process. Going beyond the limits of the traditional demands, which possess as a rule a low amount of elasticity with respect to prices and income, it contributed to accelerated development of new demands which, having acquired in the process of production a specific substantive form, in turn expanded still further the cycle of demands of the populace. Owing to the growth of the educational level of the Soviet people there was noticeable intensification of the inclination to assimilate the world of spiritual values, toward active leisure and spending one's leisure time in cultural pursuits. Satisfying aesthetic and socio-cultural needs began to occupy an ever higher position in the scale of preferences and values of an individual orientation. Increasing wellbeing led to a certain extent to the appearance of a synergistic effect of a special kind, when kind, when expanding the circle of and transition to the satisfaction of demands of a higher order brought to the forefront the problem of quality of life. Today, people are more and more concerned, not only about what they need and in what amounts, but how and under what conditions a program for the conduct of their lives will be formed and realized.

Thus, the concept of standard of living has become more complex; at the same time, a narrow interpretation has been established for it in economic literature. In some cases, which are more and more rarely encountered, the content of the given category is limited exclusively to the final consumption phase. Specifically, the point of view is expressed according to which "the standard of living is the system of conditions and factors of the functioning of man in the sphere of consumption, which is manifested in the scale of the needs of the people and in the nature of their satisfaction" [2, p 256; 3, p 44]. V.F. Mayer occupies a similar but not identical position. Defining the standard of living as "the process of satisfying the immediate needs of the people", he singles out along with its direct indicators (the level and structure of consumption) the indirect as well, those connected with the formation and distribution of income, examining the standard of living from the point of view of not only the consumption phase but to a certain degree the distribution phase as well [4, pp 6-7].

In other cases a limited version is expounded in an indefinite form, where the category of standard of living is disclosed through the degree of satisfaction of the various demands of the members of society, but is not reduced only to that. In the Encyclopedia of Political Economics, the standard of living is defined as "a socio-economic category which characterizes the level of satisfaction of physical, spiritual and social needs" [5, p 238]. We are again presented a narrow concept of the given category. However, in the course of further explanation, in characterizing the dynamics of the people's wellbeing the author of the given article, G.S. Sarkisyan somewhat changes his position, stressing that in a socialist society the standard of living is "inseparably connected not only with reproduction of the workforce, but also WITH THE FORMATION OF A NEW MAN" [Ibid., p 238] (emphasis ours, A.Kh.). The substance of the category of standard of living under socialism is taken beyond the bounds of the sphere of final consumption. Nevertheless in his initial position, in providing a definition of this category, G.S. Sarkisyan adheres to a restrictive point of view.

On the methodological plane a narrow concept of the standard of living is not based on a completely legitimate transferral of the theoretical propositions formulated by the classics of Marxism-Leninism with respect to a capitalist society, to the soil of socialist productive relationships. In disclosing the substance of standard of living, the classics of Marxism-Leninism were proceeding from the concrete historical conditions of the capitalist method of production, within the framework of which manpower is an object to be bought and sold. And in those situations, where they spoke in general terms of the wellbeing of the members of a socialist society, the standard of living was not reduced merely to the satisfaction of needs. The founding fathers of scientific communism stressed that the true criterion of wealth in the society of the future would be free time, and the ends of production organically combines total wellbeing with the harmonious and all-around development of the individual.

The limited interpretation of standard of living has its roots in the period of the establishment of the socialist economic structure, when a severe shortage of goods was felt for many positions of food and nonfood items.

Therefore, satisfying the traditional demands was made the principal practical task; and fulfilling this task was connected with the total realization of the goal of socialist production. Along with this, social demands were relatively undeveloped due to the low educational and cultural level of a significant portion of the Soviet people at that time; additionally, the extremely limited possibilities for satisfying these demands contributed to the situation, and the spiritual aspects of the standard of living receded into the background. It was not by chance that in defining the basic economic law of socialism, which I.V. Stalin gave, the goal of production was characterized as "providing maximum satisfaction of the constantly growing material and cultural demands of all of society" [6, pp 94-95]. Incidentally, V.I. Lenin in his dispute with G.V. Plekhanov stressed the insufficiency of a "consumer" concept of the goal of socialist production; he considered it an essential component, an attributive indication of ensuring "the free and THOROUGH development of ALL members of society" [V.I. Lenin, "Polnoye sobraniye sochineniy" (Complete Works), Vol 6, p 232].

But, whereas this limited version was still legitimate in the specific conditions of the 1930's and even the 1950's, in the 1960's its lack of productivity became apparent. Progressive changes in the structure of demand, changes in the socio-psychological climate of social life, and the consistently active tendency toward increasing demands contributed to the growing understanding of the fact that the many-faceted problems of raising the standard of living could not be reduced to merely material sufficiency. However, the traditional approach to revealing the substance of the standard of living through the prism of the consumption phase was, by virtue of a great many subjective and objective features, found to be very much alive. In connection with this, in the new historical conditions and especially at the beginning of the 1980's--when the task was set to place the economy on the path of intensive development, to bring about accelerated scientific-technical progress and substantially increase labor productivity--the very urgent question was raised of the rational and skillful use of not only material and physical resources, but also the spiritual and creative potential of the individual.

Today the question is becoming more and more important not only to satisfy demand but also to control the process of formation of reasonable demands; not only to provide necessities of life in the sphere of consumption, but also to educate the people in the process of their labor activity; not only to struggle with the cult of possessions, but also to actively formulate the adequate conditions for the style and way of life in developed socialism. It was correctly noted that "personal demand as such, the conferring of useful things already created by man's labor--is merely a precondition of the development of man in the true sense of this word--this is a process of active, creative labor, in which the capabilities of individuals increase and are realized in socially-useful results. Hence, apparently, it is possible to conclude that: the development of man as a consumer is a fundamental task and is a relatively limited one; the basis for its solution are inherent in the historically first stages of the evolution of communism as a formation" [7, p 45].

In the foreseeable future a situation is entirely feasible in which the actual norms of consumption are comparable to and even surpass the rational. Is it possible in this case to make the a priori assertion that a high standard of living is thereby achieved? One would think that even those who actively adhere to the narrow conception of this category would hardly risk giving a one-word answer. One can create an abundance of material and spiritual blessings in society, and in practice have people who are full but who experience the "torments of Tantalus" with the appearance of each "supernova" of consumer goods; who are indifferent to the true human values, and are thoroughly permeated with the militant narrow-mindedness of the individual; who read, who reason, but at the same time think in terms of the "mass culture" stereotype of the pseudointellectual.

One cannot deny that the limited interpretation of standard of living makes it a great deal easier to employ this concept in planning estimates, of which its adherents say: "We consider that limiting the category of standard of living to the sphere of consumption is the required constructive approach from the point of view of solving the practical problems in the area of measuring, comparing and forecasting it" [8, p 13]. However, the entire fact of the matter is, that in this case the concept of standard of living is equated to the level of consumption. And there would be no great harm in this if the problem were essentially limited to the area of quantitative commensurations and correlations. But in actuality things are quite the opposite. Depending on how the concept of standard of living is interpreted, a certain conception is formulated for planning the growth of the nation's welfare, which in turn forms the basis of the mechanism for the planning and administrative decisions on these questions for the current period and for the near future.

A logical departure from the "consumerist" version of the standard of living takes on special meaning precisely in contemporary conditions, when the genuine threat has appeared of "contamination" of a portion of the populace with the stereotypes of the society of "mass consumption". One should not, of course, exaggerate the dangers of such a threat, but what is still worse is to underestimate it. The harmfulness of the cult of possessions lies principally in the fact that it entails the deformation of interpersonal relationships and worsening of the socio-psychological climate; the distortion of priorities in the structure of demand and, consequently, in the structure of production and distribution; and the preservation of an artificial shortage, which encourages speculation, theft and shady deals. It is also important that the cult of possessions puts a very different complexion on the operation of the empirically established regularities of final consumption. "'Consumerism' as opposed to normal consumption," writes I. V. Bestuzhev-Lada, "cannot be satisfied. The more it is satisfied, the more desparate is the 'hunger', in chasing after ever-more fashionable and ultrafashionable things; for the ability to 'astonish' those about you with a more imposing jacket, car, bookcases, carpets, crystal and exotica; in spending a lot of money on vacations, and so on and so forth" [9, p 12].

The attraction of a certain portion of the populace to the surrogates of the "mass culture" and to "consumerism" is to a great extent, though not completely, explained as vestiges of the past and the failure of consciousness

to keep up with objective reality. It must be admitted that in our opinion there is a "risk factor" the operation of which can intensify the manifestation of a consumerist psychology.

The first among those risks can be attributed to the results of the forced limitation of personal consumption at the initial stages of building socialism. The necessity of carrying out forced industrialization, surrounded by a hostile capitalist world; the expense of maintaining a defenseive capability; expenses for restoration of the national economy from the losses and destruction caused in the civil war and the Great Patriotic War; allocation of significant funds for equalizing the level of economic development in the various republics; and a number of other circumstances contributed, as is well known, to significant increases in the norms for savings and to the predominant development of the branches of heavy industry and the investment complex. Whereas from 1918-1928 (less the 4th quarter of 1928) the volume of capital investments amounted to 4.4 billion rubles in comparative prices, in the first two five-year plans they had already increased to 28.7 billion rubles [10, p 321]. At the same time, in the first two five-year plans 82.2 per cent of all investments in industry went to the branches of Group A [Ibid, p 326].

Indirectly, one can make an estimate on the size of the shortage of goods from the following data. By 1960 the actual consumption of meat, milk and dairy products per person was lower than the rational norms; while there were for every 100 families in 1960, 8 TV sets, 46 radios and radio-gramaphones, 4 refrigerators, 3 electric vacuum cleaners, and 4 washing machines [Ibid, pp 372-372]. Therefore, when the intensive process was commenced to overcome the "famine of goods", there was a noticeable increase in the attraction of people for material possessions and comfort. It is entirely understandable, that with the relative lack of development of demand and an inadequate culture of consumption, such an attraction at times took on and continues to take on a hypertrophic form.

Secondly, the operation of the "risk factor" is a part of the very results of the operation of the branches in Group B. The insufficient quality and limited assortment of consumer goods produced by our industry somehow "nudges" people to acquire the stereotypes of the consumerist psychology. At the December (1983) CPSU Central Committee Plenum, telltale figures were cited, according to which--owing to the fact that quality and assortment did not correspond to consumer demand--in 1984 [sic] the trade organizations refused to buy 500,000 TV's, 115,000 radios, almost 250,000 cameras, 1.5 million watches, and 160,000 refrigerators [Materialy Plenuma Tsentral'nogo Komiteta KPSS 26-27 dekabrya 1983 (Materials on the CPSU Central Committee Plenum, 26-27 December 1983), Moscow: Politizdat, 1983, p 19].

Price reductions on consumer goods for the reasons cited result in very significant losses every year. However, it is fitting to speak of another kind of damage as well, inasmuch as in the given situation certain sectors of the populace display a preference for foreign goods of the western type which, on the one hand satisfy their needs more effectively, and on the other hand blatantly embody the stereotypes of the consumerist psychology.

To this one can add that even when the products are of identical quality, because of the lack of the necessary attention toward packaging and wrapping and to the external appearance of the product, the consumers' choice is as a rule made in favor of products of foreign manufacture. Thus, one becomes accustomed to acquiring things regardless of whether one needs them or not, simply because they were manufactured abroad.

Thirdly, shortages play a weighty role in distorting a person's sense of values, since the shortage psychologically produces the desire to acquire the item at any cost. For a certain category of the population, possessing a whole lot of goods is becoming a status symbol and a matter of prestige, for the very reason that they are impossible to buy without standing in line or, in general, without resorting to illegal methods. Shortages intensify one's devotion to "consumerism" and take up quite a bit of one's free time, thereby limiting the possibilities for developing and bringing out the spiritual and moral-cultural potential inherent in man.

These are merely a few of the features which give rise to the cultivation of possessions. The presence of such features produces special demands on the concept of standard of living, which will become the basis for working out the complex program for developing production of consumer goods and the system of services to the populace. Under conditions in which a commodity-monetary imbalance is observed, and when under the pressure of shortage of a number of goods, the "consumerist" version of the standard of living promotes the distortion of the actual priorities in planning the structure of Group B production and the development of the social infrastructure, controlling the process of developing reasonable demands becomes more difficult. Specifically, at present the disproportion between the level of development of the social infrastructure and the manufacture of various kinds of radio sets--right down to music centers and disco rooms--is glaringly obvious, especially in the rural areas. To a certain extent this gap is caused by the fact that the planning organs, striving to reduce the size of surplus demand, have in certain cases, unfortunately, taken the path of "least resistance" and have established a preference for manufacturing expensive goods which are not among the primary necessities.

Overcoming the paradigms of the "consumerist" approach to analysis of the standard of living will permit activating scientific and practical work on formulating socialist alternatives to the "mass consumption" society. In this connection, the words of Comrade Yu.V. Andropov at the June (1983) CPSU Central Committee Plenum are of great significance: "We often employ the formula 'raising the standard of living'. But the term is at times interpreted in an oversimplified manner, having in mind merely growth in the income of the populace and production of consumer goods. In actuality the concept of standard of living is much broader and richer. One finds in it the continuous growth of consciousness and culture of the people, including the culture of everyday life and behavior, and that which I would call the culture of reasonable consumption. One finds here both exemplary social order and healthy, rational nourishment; here there is also a high quality of service to the populace (which as everyone knows is still far from favorable in our country). Here there is also optimal use of free time, from the moral-aesthetic point of view. In a word, everything that in aggregate

deserves to be called socialist civilization" [Materialy Plenuma Tsentral'nogo Komiteta KPSS 14-15 iyunya 1983 g. (Materials on the CPSU Central Committee Plenum, 14-15 June 1983), Moscow: Politizdat, 1983, p 131].

It is not proper to separate the standard of living from the way of life. Incidentally, in economic literature and frequently in philosophical literature as well these concepts are for the most part interpreted as closely related [2, p 257; 11, p 44]. This view represents one of the key preconditions for the narrow interpretation of standard of living. However, philosophical and sociological works have established still another approach which is in our opinion more productive. According to this approach, the way of life and standard of living are examined within the framework of internal unity and subordinate interrelation. The way of life is a broader concept and expresses in aggregate the kinds of activities in the life of an individual, of social groups, and of society as a whole, which find common ground in their living conditions [12, p 446]. Each type of society has its specific way of life, which is conditioned by the degree of development of its productive forces and the nature of the prevailing production relationships. The vital activities of the people are realized in various spheres and in a general form embrace labor, wellbeing, everyday life, culture, health care and socio-political practices.

As far as the concept of standard of living is concerned, it is in our opinion a specific manifestation of the way of life and indicates the completeness and the degree of realization of its integral characteristics at a concrete historical stage of the maturity of the means of production. The concept of standard of living, thus, is implicitly included in all spheres of the vital activities of the people. It in turn, at a still more concrete stage of examination, is differentiated into the concepts of living conditions and quality of life, through which the unity of the qualitative and quantitative characteristics of the way of life are displayed.

Such a concept of the standard of living cannot be reduced to merely the degree to which the populace is supplied with material and cultural blessings. In addition, it is hardly necessary to get a monetary evaluation of all the indicators of standard of living and reduce them to a common denominator. "For the theory of a national economic optimum and practical planning," M.G. Zavel'skiy justly notes, "human diversity has a multitude of consequences. In the first place far from all of its manifestations are measurable in terms of expenditures and results, nor are they subject to the 'ruble'" [3, p 65].

It is sensible to base forecasting and modeling of the standard of living on a principle according to which the integral characteristics are separated into their basic components, and each of these is translated into the language of the appropriate indicators. These components which characterize the standard of living can be presented in the following manner: 1) labor (attitude toward work, productive activity, proportion of unskilled labor, etc.); 2) wellbeing, ordinary life (first of all the volume and structure of consumption of material goods); 3) education, culture, health care (services rendered predominantly through social consumption funds); 4) socio-political

activity [13, p 24]. The basic components of the standard of living should, consequently, embrace "the entire spectrum of robust human existence" [14, p 14]. At the same time, as was already noted, there is no need to search for some kind of synthetic indicator which would permit evaluating the dynamics of the standard of living.

## 2. The Interrelation of the Standard of Living and the State of Balance of the National Economy

Increasing the level of balance is one of the key tasks for further improving the systematic organization of socialist production. A peculiarity of the current stage of development of our country's economy consists of the fact that ensuring the balance of economic growth is not only a factor of but also a precondition for carrying out a course for increasing the effectiveness of social production, and accelerating the rate of scientific-technical progress and the growth of living standards. Disturbing the state of balance has a negative affect on the entire process of social reproduction and delays the transfer of the economy onto the path of intensive development.

Insofar as the standard of living is not limited to merely the sphere of consumption, but is implicitly included in the entire system of socio-economic relationships, the negative consequences of an incomplete state of balance in the national economy has an effect on practically all aspects of the way of life, the standard of living and the quality of life. The unfavorable influences of an incomplete state of balance on the dynamics of living standards is expressed principally in the deformation of the scale of preferences of the members of society and in limitations on their ability to control their reasonable demands, in weakening the reciprocal influence of the sphere of consumption on the development of production, and in lessening the role of economic stimulus as a factor of the growth of labor productivity. We shall examine more concretely certain forms of the negative effect of a state of imbalance on the standard of living.

Surplus effective demand for a number of food and non-food items makes rationing inevitable to one degree or another for the consumer goods which are in shortest supply; it increases the loss of time for acquiring various goods; and, it encourages speculation. The limitation on freedom of choice which accompanies the shortage strengthens the "diktat" of the producer and leads to a permanent lag in feedback between the producer and the consumer. Under conditions of imbalance of supply and demand, an outwardly paradoxical situation comes to pass, in which the "consumer, who possesses an inappropriately increasing mass of pecuniary assets, has less and less influence on production and on controlling its results" [15, p 813]. Weakening the role of the consumer in formulating social use value makes it easier for the enterprises to carry out practically hidden price increases. According to the results of checks which have been conducted and expertise, nearly 1/3 of the projected wholesale prices for the products of machine building, presented to Goskomtsen [State Committee on Prices] USSR, were unjustifiably inflated by 20-30 per cent [16, p 136]. Such instances have also occurred in the branches of Group B. Changing the grade of merchandise as a result of a minor improvement in its consumer qualities is in a number of cases accompanied by a disproportional increase in price.

The gap between supply and demand gives birth to a tendency to weaken the incentives for improving the quality of manufactured goods. "The imbalance has led to such a state of absolute producer domination, that the barriers to deliberately reducing quality of production have been eliminated" [17, p 17; 18, p 71]. Relaxation of attention to quality of production takes place primarily in those places where the shortage is most acutely felt. In order to overcome or alleviate this problem, the planning organs try to get the enterprises to increase production volume which, under conditions of limited resources and the formal nature of the sales document is at times achieved at the expense of aggravating the operating characteristics and the attractiveness of the product. Even when there is no shortage, the prevalence of the extensive type of management and the difficulty of obtaining quality raw materials and modern equipment, as well as the unreliability of the suppliers, hinder attempts to raise the quality of production. At the same time the low quality of equipment, raw materials, supplies, and hardware, and defects in major construction projects seem to accumulate along the chain of interconnected industrial branches of Group B, which are responsible to the consumer not only for the results of their work, but also to the national economy as a whole.

Proportion of Kolkhoz Trade in the Total Volume of Retail Trade  
According to the Group of Goods Compared [1, p 428]

Nr	Indicator	Year				
		1970	1975	1980	1981	1982
1	In actual Prices	8.5	8.1	10.0	11.0	10.8
2	In State Retail Prices	5.5	4.6	4.7	5.1	4.9
3	Index of Advance	1.54	1.76	2.13	2.16	2.20

Whereas an increase of demand over supply assumes a systematic character, the elements of illegitimate differentiation of the real income of the populace have even more to say about themselves. Shortages in a number of consumer items lead to a situation where it is not merely the amount of the labor contribution that determines the volume and composition of consumption, but also factors which lie beyond the sphere of production. Specifically, with respect to an increase in the action of the mechanism for redistribution of the monetary income of the populace, there is indirect evidence that a portion of kolkhoz trade (just for the group of goods under comparison) is in actual prices higher than state retail trade. At the same time the gap between the indicated portions has a tendency to increase (See table).

The shortage in consumer goods and services also leads to differentiation of the purchasing power of money, which can differ among people who carry out the very same work but who live in different localities, and are not provided to the same extent neither with food nor with non-food items. The requirement to provide the conditions for the all-around harmonious development of each member of society makes it very important to analyze the problems of raising the standard of living with respect to different economic regions, and with respect to the various sectors, groups and categories of

the populace. N.M. Rimashevskaya, turning her attention to this situation, noted that, "When studying, forecasting and controlling the processes which are taking place in the sphere of consumption, it is theoretically unsound and a dangerous practice to focus only on the average indicators" [2, p 256].

The reciprocal influence on the dynamics of the economic system, and on formulating the proportions of production, distribution and consumption intensifies in proportion to the increase in the standard of living. With the entry of an ever-increasing portion of the populace into the zone of elastic demands, and with the growth of their educational and cultural level, there is increasing demand for a range of goods and for quality, which complicates the mechanism for planning and administrative decisions. In such conditions, maintaining a state of balance begins to come under the influence of processes generated by the specific features of the standard of living which has been achieved. At the same time examining the effects of consumption manifested in conjunction with the growth in the standard of living--which complicate the solution of the problem of balance--becomes a matter of special interest.

The shift to the zone of elastic demands took place in our country against a background of a definite shortage for a number of food items, which as is well known satisfy the principal needs of the people. At that time the operation of the "forced substitution" effect was noted. At first the shortage of certain food items contributed to transferring a portion of consumer demand to manufactured goods for current use, and subsequently for durable goods as well. A disruption took place in the sequence of satisfaction of demands, which intensified the uncontrolled shift in the structure of finite demand. At the stages which followed the indicated effect began to manifest itself with respect to the good things of life as well; but the satisfaction of such demands is not a first priority item. In a situation where the priorities for covering needs were upset, the shift of demand to different goods began to take on a mass and at times an explosive-like character, and began to be determined by random factors (the whims of fashion, or the mere presence of lines, and the like). The shortage of quite a number of goods was actually imaginary and artificial; the requirement for them remained undeveloped, and the demand for them was fictitious. The planning organs and the enterprises were faced with a situation where the spheres of circulation and consumption began to send distorted information on the trends for both the effective demand and the potential demand of the populace for certain groups of commodities.

At the same time the effect of "forced substitution", with the passage of time, revealed a capacity for metamorphosis into another state--"voluntary limitation". Strictly speaking, the latter was also encountered previously when as the result of a price increase or reduction of monetary income certain sectors of the populace reduced their consumption of one kind of commodity or another, elastically as a rule, with respect to prices and incomes. However, upsetting the order of priority for satisfying needs, added to the operation of the "imitation" effect (of that more later), changed the situation. Certain families and citizens began to resort to a forced increase in savings at the expense of current consumption, with the intent to purchase an auto, furniture, a TV, a carpet, and so on. At the same time they did not completely satisfy their more urgent requirements.

The effects of "forced substitution" and "voluntary limitation" on the state of balance of the national economy are predominantly negative. At the same time one cannot deny the possibilities of such a state of affairs in which a reverse shift could take place for satisfying the demands which still remained unsatisfied. Specifically, successful realization of the Food Program may lead to a situation in which, demands for food products having been covered more completely, a trend will be noted for stabilization of demand for articles from light industry and goods of a cultural-domestic and household nature. If one considers the fact that the proportion of food items in the total volume of goods turnover in state and cooperative trade, including public catering, amounted to 50.3 per cent in 1982 [1, p 432], as well as the fact that these items belong to the group of commodities which occupy the very highest position in the sequence of priorities for satisfying needs, then it becomes understandable how important alleviating and overcoming the phenomenon of commodity-monetary imbalance can be for solving the problem of reliably supplying the populace with a variety of top quality food products.

In the 1960's there was a noticeable increase in the operation of the "demonstration" effect and the "imitation" effect, which in a sense help one another. In both cases it is a question of one and the same thing, namely the adoption of stereotypes of consumption, which become the motivation for one's behavior in making purchases. When one speaks of the "demonstration" effect, then the accent in our opinion, is made on the penetration and even the imposition of certain stereotypes of consumption; and when the desire to adopt and follow the canons is observed, then we come into contact with the "imitation" effect.

In contemporary conditions the indicated effects play an extremely important role in the formation of the structure and dynamics of consumer demand. The "imitation" effect is organically connected with the "risk factors" for infecting a certain portion of the populace with a consumer psychology. Unfortunately, imitation of the western models, which are frequently not the best, provides a fertile medium which produces gaps in adopting a standard of behavior and consumption as well as poor quality and limited choice of consumer goods. The effects of "imitation" and "demonstration" have a more negative influence on the state of balance of supply and demand. In the first place this is brought about by the fact that they encourage the appearance of quasi-needs, which will never be satisfied. "The consumption of material goods," notes E. Berkovich, "if it develops by itself and is subjected to the influence of imitation, will for all practical purposes never reach satiation" [19 p 259]. Secondly, the "demonstration" effect has a much more powerful influence on mass consumption, which does not possess well-developed taste, and therefore acquires the stereotypes of "mass consumption" comparatively easily. Thus the process of formulating reasonable requirements becomes more complex.

The formation of a consumer group influenced by the "snobbist" effect is one of the consequences of the growth of wellbeing. The basis for this effect is the desire to stand out from the general mass of consumers. One should note that the reasons for the appearance of the "snobbist" effect

are completely objective in nature and consist of the tendency for individualization of demand in proportion to the satisfaction of one's basic needs, and the growth of monetary income and the various demands of the individual. However, in a number of cases this objective precondition is transformed through the medium of fashion into a specific variety of "consumerism" which does not want to appear as such.

This effect becomes intertwined with the "Veblen effect" [19, p 259], which is more often called "status consumption" [20 p 99]. The distinguishing feature of the "Veblen effect" is the prestigiousness of consumption, when one acquires exclusively those goods, which by virtue of their high price are accessible only to a small circle of people. The danger of the "snob-bist" effect and "status consumption" consists primarily of the fact that their bearers are pretenders to the role of "legislators" of good taste, and formulate the standard set of consumption to which the ordinary consumers must aspire in the future. Additionally, in the given situation demands are formed which are basically irrational, and which make establishing a planned state of balance in the national economy more difficult.

These are certain aspects of the interrelation of the standard of living and the state of balance. At the same time we have consciously placed emphasis on the socio-psychological and institutional characteristics of the reciprocal influence of the standard of living on the state of balance of social production. Their existence proves that the most strenuous efforts to untie the knots of imbalance in the sphere of finite consumption must be fully combined with overcoming the consumerist version of the standard of living.

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CONSUMER SECTOR POLICY AND ECONOMICS

RSFSR ECONOMIC EXPERIMENT ON DOMESTIC SERVICES OUTLINED

Moscow EKONOMICHESKAYA GAZETA in Russian No 42, Oct 84 p 13

[Article: "An Experiment in the Domestic Services System"]

[Text] The decisions of the 26th CPSU Congress and the Central Committee's subsequent plenums have devoted a great deal of attention to the further development of the service sphere and its role in putting the party's economic policy and the state plans for economic and social development into effect.

A set of measures to improve services is being consistently carried out. Questions of its improvement will occupy a worthy place in the Comprehensive Program for Developing the Production of Domestic Goods and the System of Services for the Public.

In recent years important measures have been carried out to transform domestic services into an up-to-date sector of the national economy, capable of more fully ensuring the Soviet people's continuously growing needs for various domestic services.

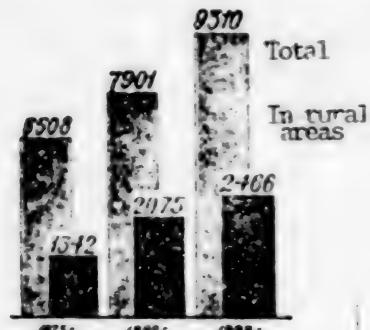
The country's total volume of domestic services sold in the third year of the present five-year plan reached 9,310 million rubles for the country as a whole (without taking the value of the raw and processed materials used into account) (see diagram). Today more than 900 kinds of consumer services are rendered to the public. The sector's enterprises sew and mend clothing and shoes, manufacture furniture, repair household machines and appliances, and provide services for the dry cleaning of clothing and washing of laundry, the repair of dwellings, and so forth. Today more than 2.7 million workers are employed in servicing the Soviet people.

At the same time, under conditions of a steadily growing level of monetary incomes and a significant increase among the population of ever more complex domestic appliances, the demand for domestic services is also increasing. However, for a number of types, the demand still noticeably exceeds the supply.

The task of further accelerating the growth of the volumes of domestic services performed for the population, expanding their assortment, and raising the quality of service requires the implementation of a set of economic and organizational measures making possible not only more efficient use of established production potential, but also enlistment of additional material and labor resources into this sphere of activity.

**ОБЪЕМ РЕАЛИЗАЦИИ  
БЫТОВЫХ УСЛУГ НАСЕЛЕНИЮ**

[в сопоставимых ценах 1981 г.;  
миллионов рублей, в том числе  
в сельской местности]

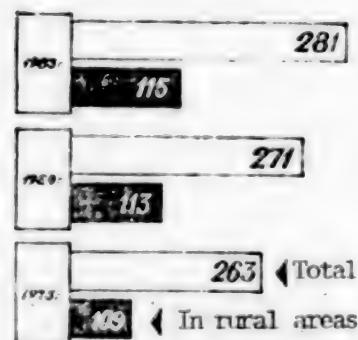


Volume of Domestic Services Sold to the Public  
(in 1981 comparable prices; in millions of  
rubles, including in the rural areas)

**Number of Domestic Service Enterprises**  
(including tailor shops and workshops; at the end  
of the year; in thousands; including in the rural  
areas)

**ЧИСЛО ПРЕДПРИЯТИЙ  
БЫТОВОГО ОБСЛУЖИВАНИЯ**

[включая мастерские;  
на конец года; тыс.; в том числе  
в сельской местности]



For the purpose of developing the initiative of labor collectives, raising their responsibility for work results, and strengthening interest in the improving of domestic services, the CPSU Central Committee and the USSR Council of Ministers adopted the proposal of the RSFSR Council of Ministers to conduct an economic experiment within the system of the RSFSR Ministry of Consumer Services beginning 1 July 1984.

**Goals and Tasks**

The goal of the experiment is to ensure the practical testing of a system of economic and organizational measures directed at further improving the economic mechanism and strengthening the interest of domestic service production associations' (enterprises') in raising the level of economic activity and their responsibility for results of the work to more fully satisfy the public's need for services.

The experiment provides for expansion of the economic independence and an increase in the interest of production associations and enterprises in end results. This must be ensured by a substantial reduction of indicators planned from above, by a transition to forming a number of leading resource positions on a stable normative basis, and by giving the labor collectives greater rights to utilize wage funds for the purpose of developing and stimulating labor.

According to the conditions of the experiment, the volume of sales of domestic services, including the volume of sales in rural areas and the volume of sales of services paid for by the public, as well as the following norms (normative) are established for the ministries, administrations, and associations (enterprises):

the norm for deductions from profit to the higher ranking organization for production associations (enterprises), and to the state budget for ministries and administrations;

the norm for forming the wage fund as well as the wage fund for types of work not related to domestic services;

the norm for forming the incentive fund.

Domestic service enterprises work out the remaining plan indicators independently.

The experience of the eight regions of the RSFSR has confirmed that careful preparation is necessary for maximum utilization of the new potentialities and for improvement of work under the conditions of the experiment.

Practical measures to normalize the financial condition of domestic service were carried out during the course of the preparation. The shortage of internal working capital has been made up. Reconstruction of existing production facilities is being carried out, for which additional equipment has been allocated.

Considerable work has been done to strengthen contacts with supply and trade organizations and industrial enterprises for deliveries and for the purchase of spare parts, equipment, and various materials necessary for normal operation.

#### With Due Regard for Distinctive Characteristics

It is also necessary to note in the lessons that an important distinctive feature of the measures to improve the mechanism for the management of the sector's enterprises provided for in the experiment is their consideration of the distinctive characteristics of the working conditions of tailor shops and domestic service shops and workshops. The purpose of all the experiment's elements --the improvement of planning, the strengthening of cost accounting, and the introduction of progressive forms of labor organization and payment--has been specifically defined to ensure the more complete satisfaction of the public's demand for domestic services and to raise the level and calibre of service.

We can cite the following an example of the effectiveness of just one element of work under the new method--the right to buy equipment, raw materials, tools, industrial by-products, and non-standard commodities. On the basis of contracts with domestic service associations (on a cooperative basis) industrial enterprises have already produced more than 500,000 rubles worth of semi-manufactures, components, and intermediate products to fulfill domestic service orders in the first 2 months of the experiment. As a result of this one-quarter million rubles worth of domestic services were rendered to the public in August alone.

The experience of the Bashkir ASSR, Ivanovo and other oblasts has also shown that, thanks to economic self-interest, an element of their activity new to domestic service enterprises--the sale of associated goods (purchased in trade) and the establishment of convenience [komfortnyy] services and additional conveniences for customers--is being introduced and expanded more actively. In particular, the showrooms of almost 2,000 tailor shops, workshops, and receiving centers were already selling associated goods at the end of August.

The propagandists should focus the audience's attention on one more essential feature. This is the principle under which domestic service enterprises provide their own funds for their development and for workers' incentives. Basically this is the profit of the enterprises received from economic activity. The profit, minus the sums which are deducted for the higher ranking organization (for the state budget) on the basis of stable norms, is left at their disposal.

It was stated above that the profit indicator is no longer approved. But the experience of the work of three months under the new method shows that, in spite of this, the labor collectives have intensified their attention to the search for reserves to reduce prime cost, to more efficiently utilize material and labor resources, and to increase actual profit.

Substantial reorganization of the system of incentives for the sector's workers is also taking place during the course of the experiment. Engineering-technical personnel and the employees of shops, sections, tailor shops, and workshops are being awarded bonuses from the wage fund. In combination with the extensive rights of the enterprises, which have been given the opportunity to establish supplementary payments and increases for occupational skill and for combining occupations and posts from savings of the wage funds, this measure is accelerating the growth of labor productivity and more liberally encouraging a rise in quality and a reduction in the time required to fill orders.

#### Labor Organization and Payment

Work under the new method urgently dictates the need to introduce new forms of labor organization and payment for workers, engineering-technical personnel, and employees. The brigade form using cost accounting principles with labor payment on the basis of a single job authorization for the end result and distribution of collective earnings using the KTU (labor participation coefficient), is steadily spreading.

The contract form of labor payment is being expanded. Workers are being enlisted to perform domestic services on the basis of holding more than one job. The labor of students, pensioners, invalids, and housewives is being used to perform services. Thanks to this, the sector has received ample opportunities for enlisting additional labor resources and reducing the time required for filling orders, especially in times of their significant seasonal influx as well as in regions where the lack of personnel and production capacities is appreciable.

The total number of cost accounting brigades working with the use of the labor participation coefficient in the associations and enterprises participating in the experiment increased by 25 percent during July and August. The average monthly output in these brigades is substantially higher than in the brigades of the usual type. At the beginning of September about 3,500 people including more than 1,000 from among the workers of this sector's enterprises worked under a contract form and on the basis of holding more than one position. Domestic services in the sum of about 450,000 rubles were performed in August alone using this form of labor organization and payment.

The plan for sale of consumer services in the third quarter and for the first nine months by the participants in the experiment was fulfilled both as a whole and in the rural areas by all the ministries and administrations. At the same time growth rates in the volumes of services higher than the average for the system of the RSFSR Ministry of Consumer Services were secured in the past period. The consumer services administrations of the Altay krayispolkom and the Kemerovo oblispolkom, which worked from January through June with a significant lag behind the rates of growth established in the annual plan, were able to increase them several times in the third quarter.

The introduction under the conditions of the experiment of such an indicator as the "volume of sales of domestic services paid for by the public" into the structure of indicators approved for enterprises and associations has accelerated the growth of work on individual orders. All the ministries and administrations participating in the experiment fulfilled the plan for this indicator for the third quarter. Faster development of repair and personal types of services has been ensured. Ensuring an economically correct correlation of the growth of average wages and output has been a very important result of the current period of the experiment.

#### Expanding the Experiment

Starting 1 January of next year the boundaries of the experiment within the consumer services system will be expanded significantly. The associations and enterprises of 5 more union republics--the Ukraine, Latvia, Lithuania, and Estonia as well as 21 autonomous republics, krays and oblasts of the RSFSR, and Moscow and Leningrad will be included in the work under the new method. A number of the elements of the experiment's management mechanism will be extended to all ministries (ASSR), administrations, associations, and enterprises of all union republics.

It is very important for all those who will work under the experiment's conditions to prepare for it in an orderly fashion. The paramount attention of the students in the lessons should be paid to the study of the experiment's tasks and mechanisms in all the labor collectives. Here it is necessary to utilize all existing forms for training and raising the skills of personnel. Certification of workers can yield good results.

The practice of the republic's eight regions has shown the importance of the economically correct development of specific measures for introducing the new elements of economic activity taking into account the specific character of the activity of the associations and enterprises.

It is also important to search for partners among the industrial enterprises for cooperative deliveries of semimanufactures, intermediate products, components, and so forth for the performing of domestic services. Their needs are to be carefully defined and specific proposals prepared. The place for and the volumes of the introducing of new types of services and forms of service envisaged in the experiment are to be determined with due regard for real possibilities and economic and social expediency.

The workers of the economic services, leaders of enterprises, and all collectives should devote the most serious attention to the search for reserves for reducing material expenditures, to drawing above-norm stocks of material assets into economic circulation and to the substantiation of plan, valuation, and regulating indicators for each enterprise (the norms for deductions from profit, accounting prices in intersystem cooperation, statutes for bonus payments and so forth).

The well thought-out and timely implementation of these measures along with supplying the performers with the necessary methodological and instructional materials and with organizing economic studies for personnel from the very beginning of the work under the new method will promote the successful realization of the goals and tasks of the experiment.

The conducting of a seminar lesson, "The Improvement of the Management Mechanism is an Important Condition for Raising the People's Well-Being and Improving Domestic Services for the Public," is envisaged for the first subject.

It is recommended that each student be assigned to prepare a number of essays by way of preparing for the seminar (a model list of the subjects for the papers is cited in EKONOMICHESKAYA GAZETA, No 36, p 12).

In preparing for the lessons it is necessary to utilize the materials of the 26th CPSU Congress and the subsequent plenums of the CPSU Central Committee, the decree of the CPSU Central Committee and the USSR Council of Ministers about the economic experiment in domestic services (EKONOMICHESKAYA GAZETA, No 8), and the articles, reports, interviews, and consultations published in the weekly.

As of 1 July the ministries and administrations of the following regions in the RSFSR are working under the conditions of the experiment: Bashkir ASSR, Komi ASSR, Altay Kray, and Astrakhan, Ivanovo, Kemerovo, Saratov, and Yaroslavl oblasts.

As of 1 January 1985 the following will be participating in the experiment: Moscow, Leningrad, Kiev, the Belorussian SSR, Latvian SSR, Lithuanian SSR, Estonian SSR, Mordovian ASSR, North Osetian ASSR, Tatar ASSR, Udmurt ASSR, Krasnoyarsk Kray, Stavropol Kray, and the Amur, Vladimir, Dnepropetrovsk, Irkutsk, Kalinin, Kostroma, Crimean, Juybyshev, Kursk, Moscow, Lvov, Penza, Poltava, Rostov, Sverdlovsk, Smolensk, Tambov, Tomsk, and Ulyanovsk oblasts.

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CONSUMER SECTOR POLICY AND ECONOMICS

BESSR OFFICIAL INTERVIEWED ON EXPERIMENT IN ENTERPRISES

Minsk SOVETSKAYA BELORUSSIYA in Russian 2 Nov 84 p 2

[Report on interview with Ivan Petrovich Terekhov, chief of the Economic Planning Administration of the Belorussian SSR Ministry of Consumer Services, by staff correspondent A. Avrutin, in the column "The Sphere of Services. Ways for Development": "On the Threshold of an Economic Experiment"; date and place not specified]

[Text] It is known that serious reorganization of the economic management system and of the entire economic mechanism, which was described at the February (1984) plenum of the CPSU Central Committee by K. U. Chernenko, general secretary of the CPSU Central Committee and chairman of the USSR Supreme Soviet Presidium, includes a broad-scale experiment on expanding the rights and raising the responsibility of enterprises.

An intensive search for new management forms and methods in such an important sector as the sphere of services is also underway. As of the second half of this year, consumer enterprises in some regions of the Russian Federation have changed to work in a new way, and enterprises of the system of the BeSSR Minbyt [Ministry of Consumer Services] will be included in the experiment as of January 1985. Our correspondent has interviewed P. Terekhov, chief of the Economic Planning Administration of the Belorussian SSR Ministry of Consumer Services, on how the republic's sphere of services is making preparations for this.

[Question] Ivan Petrovich, couldn't you dwell in more detail on the very essence of the economic experiment in consumer services, its goals and the expected results?

[Answer] The goal of the experiment coincides with the basic line of our party in the field of raising the well-being of the Soviet people. It is--to satisfy more fully the population's requirements in consumer services, to raise the quality and standard of service and to utilize material, labor and financial resources more efficiently.

Under identical socioeconomic conditions of life of the people, the consumer services system, however, has been developing with great disproportions at

times in different administrative regions. In our opinion, the main reason of such a phenomenon is in that collectives of consumer service enterprises, owing to the strict regulation of their production and financial activity, do not have the necessary economic incentive to use internal reserves.

[Question] Then, in order to radically change the situation, it is necessary to bring planning and appraisal and stimulation of labor in the sector in conformity with its ultimate goals. In other words, to create an economic mechanism, which would have an active effect upon raising the level of service for the population?

[Answer] The question is precisely about this. Improvement of the economic mechanism will be implemented in various directions. The experiment will touch upon questions of planning, appraising the final activity of enterprises, the system of wages, expanding independence and raising responsibility of collectives for final work results and material and technical supply.

The number of indicators, which are planned for enterprises from "above," will be reduced under the new conditions. Let us say that instead of the 20 such indicators which were confirmed formerly, only 10 will remain. Among them: the volume of realized consumer services, including in the rural area; the volume of realized services, paid by the population; norms for withholding from profits to a higher organization and to the state budget; formation of the wage and bonus funds; and some other.

It is significant that in this case enterprises and oblast (city) consumer service administrations, on the basis of reduced indicators and economic norms and proceeding on the basis of existing prices and tariffs, independently work out plans for economic and social development, including for types of services and after that report them to higher organs, which must accordingly allocate to enterprises and administrations the necessary material resources and establish contractual work limits for them.

It should be noted that in planning and appraising the activity of consumer service enterprises, primary importance is attached to the growth in the volume of consumer services paid by the population. At the present time, it amounts to nearly 82-85 percent of the overall volume of services. Naturally, this indicator must increase annually along with service quality. Therefore, the amount of wages of workers of consumer service enterprises will directly depend on the rate of growth of these services and the corresponding norm being set for every enterprise. The amount of a raise will vary from 0.5 to 0.75 for every percent of increase in realization of consumer services paid by the population.

As we can see, the wage fund for enterprises is established solely by virtue of increasing the volume of services. If this fund is not used within a year, all savings are carried over to the following year. If this fund is overexpended, then it is reduced by a corresponding amount from January of the following year. It is significant that the number of workers no longer plays a decisive role. It is economically more advantageous for enterprises to have fewer workers, but highly skilled ones.

[Question] Ivan Petrovich, how will the questions of raising the standard of service be solved from the viewpoint of the economic experiment?

[Answer] First of all, I would like to say that a fundamentally new element such as realization of commodities accompanying the services being rendered will appear in the activity of service enterprises. It will be possible to purchase footwear care articles in footwear workshops and film, magnetic tape and portrait frames in photo studios. Customers of dry cleaning enterprises and laundries will be offered accessories, polyethylene and paper packets, detergent, soap and so forth. In large consumer service houses, customers will be able to have a cup of coffee or tea while waiting for their turn.

It is planned to considerably expand the network of high category clothing repair and tailoring shops, where it will be possible not only to order the most fashionable article but also to place an order for a shirt, a necktie, a hat and footwear.

[Question] How do matters stand with an indicator such as profit, which was removed from basic indicators?

[Answer] Despite this, its role is growing. After all, the entire profit, with the exception of the sums withheld from it according to stable norms to higher organizations, remains at complete disposal of associations and enterprises. Service sphere enterprises are released from paying for production capital and after withholding 10 percent of profits to the state budget, they keep the remaining part for themselves. Moreover, two special funds are formed from profits to provide for economic incentive and development of production under new conditions. The first one, the incentive fund, will be used to make payments according to work results of a year, to award workers achieving high results in socialist competition, one-time bonuses and other payments.

The production and sociocultural development fund will be used by enterprises for production and sociocultural construction, paying off bank credits and payment of interest and other needs. Let us note that both funds are used by the administration in coordination with trade union committees and, which is especially important, can be redistributed if necessary. Moreover, the funds not used within a planned year are not subject to withdrawal, but remain at the disposal of an enterprise.

[Question] Apparently, some sort of changes will also occur in price formation?

[Answer] To expand types and forms of service and to raise economic incentive of enterprises, permission was granted to use surcharges to existing prices for services if they are performed by highly skilled and first class craftsmen and hair stylists as well as for services provided at night and holidays and for express service at home. Highly skilled craftsmen will receive raises of 5 to 35 percent for their labor. Of course, these measures require high responsibility of consumer service workers. After all, a customer who paid a surcharge to a price also has a right to demand fulfillment of a service according to

the highest category. Especially since he has in hands such an important regulator as the possibility of paying for an order after its fulfillment.

[Question] How does the carrying out of the economic experiment tie in with introducing in practice of progressive forms of labor organization and stimulation which have already justified themselves?

[Answer] In the closest possible way. What is more, their further introduction is one of the composite parts of the experiment itself. First of all, it is, of course, a question of the brigade work method for a unified order with distribution of pay according to work participation ratio. Incidentally, specialists along with workers can now be included in the composition of brigades.

For the purpose of increasing the volume of consumer services, associations and organizations were granted permission to use contractual forms in organizing and paying for labor for collectives as well as individual workers and also the contract form of labor under conditions when several skills are combined. Workers having several skills from other sectors of the national economy as well as workers in the service sphere with spare time from fulfilling their basic duties will be enlisted in work on contract conditions. Broad opportunities are being created for enlisting in consumer service work of students, pensioners, invalids and housewives on part-time daily or weekly basis as well as work to be performed at home. For this category of workers it is permitted to establish output norms which are reduced by 15 percent. I would like to add that supervisors of enterprises in coordination with trade union committees have been given the right to pay additional allowances for professional skill to highly skilled workers, who are engaged in the repair of complex, unusual and unique machines and devices and in manufacturing articles that are distinguished by their originality. Payments are made from the wage economy fund and may reach 16-24 percent of the wage rate.

The increase in the volume of services will also be stimulated by means of credits for every percent in the rate of growth of certain amount of services and bonuses in percent to the piece-rate wages of a brigade or an individual worker per month on the condition that a plan is fulfilled.

Bonuses for employees of production associations and enterprises, including workers can be increased to 10 percent during an increase in the relative share of orders handed in on first presentation.

Engineering and technical personnel and employees are also provided an opportunity to additionally receive up to 50 percent to salary for highly skilled work and directors of enterprises up to 30 percent to salary in the form of raises for good work of the entire collective, which was expressed in winning a leading place in socialist competition, receiving the highest or first degree award and so forth. In this case it should be noted that raises are reduced or are rescinded completely when work indicators deteriorate.

[Question] All of this is correct, but quite often consumer service workers cannot help a customer much as they would like to--owing to lack of necessary

**materials. Will the system of material and technical provision of the sector change under conditions of the experiment?**

[Answer] I will answer this right away by saying that for the purpose of improving material and technical supply to consumer service enterprises, retail trade organizations were given permission to let them have materials, accessories, spare parts, tools and small size equipment on a noncash transaction basis. At the same time, supply organizations and industrial enterprises were granted the right to sell to the service sphere their existing above-norm and unused equipment, tools, raw materials, materials, industrial waste products and substandard commodities. Industrial enterprises were granted the right by way of cooperation to manufacture semimanufactures, complete sets of components and unfinished work pieces on orders of consumer service organizations for fulfilling consumer service orders and to include them in the volume of consumer goods production.

[Question] How ready is the sector for converting to work according to the experiment? After all, the upcoming reorganization process is not that simple...

[Answer] We are well aware that realization of the goals and tasks of the experiment is difficult and many-sided work which requires combined and well coordinated actions of economic supervisors, party and trade union organizations and economic and technical services.

A sectorial commission has been established in the BeSSR Ministry of Consumer Services and special working groups in oblast consumer service administrations [oblyutupravleniya], associations and enterprises. Development of normative and methodical documents, which define the activity of ministries, administrations and production subdivisions, has been fully completed. Of course, we did not begin from scratch. The experience gained by enterprises in individual regions of the RSFSR, which are already working according to the experiment, was deeply studied. Much of it was placed in service.

Practical development of efficient means and forms of management must be realized locally. Therefore, the main thing that worries us are the people and realization by them in full measure the responsibility which is being placed on their shoulders.

Extensive explanatory work is now underway in collectives, whose purpose is to convey to everyone the essence and meaning of the project and the action mechanism of the experiment.

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CONSUMER SECTOR POLICY AND ECONOMICS

VALUE OF RETAIL TRADE STATISTICAL ANALYSES STRESSED

Moscow VESTNIK STATISTIKI in Russian No 9, Sep 84 pp 18-23

[Article by A. Zaytseva, chief of the Trade Statistics Department of the USSR Central Statistical Administration (TsSU) and merited economist of the RSFSR, and T. Khramtsova, graduate student of the Moscow Institute of Economics and Statistics (MESI): "Statistical Analysis of Public Trade Service"]

[Text] Stable and dynamic development is inherent in Soviet trade. During the years of the 10th and 11th Five-Year Plans (1976-83), the retail goods turnover of state and cooperative trade increased by 33 percent (in comparable prices) and reached R305.8 billion in 1983. The per capita goods turnover in the same period increased by 24.2 percent. The goods turnover increase was ensured to a considerable degree by virtue of the intensive factor--the growth of trade workers' labor productivity, which amounted to 19 percent. The amount of goods turnover per 1 m<sup>2</sup> of trade area has increased by 14 percent. The sector's profitability has increased from 1.98 percent to the goods turnover to 2.37 percent. The material and technical base was considerably strengthened. During the 1976-83 period, the trade area in stores increased by 27 percent. This has created material prerequisites for improving service for customers: the provision of the population with a trade network has increased from 1,537 m<sup>2</sup> of trade area per 10,000 residents in 1975 to 1,820 m<sup>2</sup> in 1983. In the process, the number of stores, which employ progressive service forms, has increased by 28 percent and their trade area by 50 percent.

Trade statistics have a system of indicators which make it possible to study the economic efficiency of trade. It is the rate of the goods turnover growth, the fixed capital, working capital and manpower resources utilization indicators, profitability and so forth.

During the past several years, statistical science has been devoting substantial attention to studying the social aspect of trade efficiency. Along with improving the system of economic efficiency indicators of trade as a sector of the national economy, certain work was conducted in developing a methodology of statistical appraisal of social efficiency of trade with consideration of its specific features. State statistical organs together with trade organizations have conducted some investigations.

The tasks of trade statistics--to characterize the process of satisfying the requirements of the population in high quality and varied products, manufactured

goods, items of cultural, personal and household use and trade services in the sphere of commodities turnover; to study the tendencies of changing indicators of social efficiency of trade in time; to reveal and measure the influence of factors on it; and to study regional differences of social efficiency indicators and the condition of service quality for the purpose of revealing reserves and ways for improving public service in the sphere of trade.

The CPSU Central Committee and the USSR Council of Ministers adopted a resolution in 1982 "On Measures for Further Developing Trade and Improving Public Trade Service in the 11th Five-Year Plan," in which it is noted that the achieved level of trade development and the quality of trade service so far are lagging behind the growing requirements of the population and contemporary demands made on this sector. A task has been set to considerably raise the level of public service in trade. This will also be promoted by the comprehensive program for the development of consumer goods production and a system of services, the working out of which is underway.

An appropriate information base is necessary for systematic control and management of trade service quality. Indicators of the existing statistical accounting make it possible to characterize to a certain degree the level and quality of trade service.

Providing the population with a trade network is calculated on the basis of accounting on the existence and traffic of trade enterprises, comparison of which with the norm makes it possible to appraise the material prerequisites for improving customer services. The quality of trade service is not in equal in value at enterprises with different specialization and size of trade area. Large stores have more possibilities for organizing additional customer services. The variety of goods of a given commodity group is broader in specialized nonfood stores and people can complete their purchase in general food stores without stopping in other stores.

One of the indicators of service quality--the degree in introduction of progressive trade forms: self-service, sample trade and others. This parameter can also be appraised on the basis of current statistical accounting.

Statistics have indicators which not only characterize the overall number of trade workers, but also their skill composition, provision of trade enterprises with cash register, weighing and measuring equipment and the level of its rate of progression on which labor conditions of trade workers and the time spent by the population to make purchases depend.

Accounting on introduction and work of trade name stores makes it possible to judge the degree of rational utilization of trade areas, provision to customers of additional services, measures on studying customer demand, the level of expenditures for advertising, conformity of actual variety of commodities to the confirmed list and so forth.

The requirements of a more in-depth study of public trade service quality and the limited possibilities of complete statistical calculation (owing to labor

intensiveness in obtaining information on some indicators), make it necessary to supplement materials of statistical accounting with data of specially organized selective investigations, which make it possible to use an expanded program of statistical observation.

The questions of public trade service have been touched upon in some investigations organized by the USSR Central Statistical Administration. Much information was contained in the selective investigation, which was conducted in 1979.

In 1983 a special investigation was conducted of public trade services by retail trade enterprises, whose novelty consisted in broad utilization of public opinion on the level of trade services on the basis of a written survey of customers in stores, filling out a questionnaire by a public controller (a representative of an organization, an enterprise or an institution which is implementing public control over the work of a store) and responses to questions on a questionnaire by workers and employees of enterprises and institutions located in areas near a trade enterprise.

One of the tasks of the investigation--to obtain representative data on the appraisal directly by customers of trade service quality. Toward this end 433,600 customers in food stores and 218,800 customers in nonfood stores were polled. In the process not only the quality of service was appraised but basic shortcomings in service were also clarified. For example, an insufficiently wide selection of goods, lines to a salesperson and cashier, inconsiderate attention by personnel to customers, ignorance of salespersons as regards the quality of goods, violation of a work schedule, sale of goods in high demand as supplements, absence of salespersons at work places during working time and so forth.

Public controllers were enlisted in the investigation. The work of 4,400 food stores (83 percent of selected stores) was analyzed with their assistance.

The trade on advance orders from the population is one of the decisive factors in raising the quality of trade service, since it makes it possible to organize trade service for workers and employees at their place of work. The level of development of trade on orders reflects the social effect of trade. A total of 56,800 employees at institutions and 141,100 workers and employees at enterprises were polled in order to study public opinion with respect to the condition of trade service at places of work.

The activity of retail trade enterprises was studied with respect to type of service, work schedule, utilization of store area, goods turnover and the number of workers, service provided to customers in a store, availability and utilization of cash registers and packaging equipment, condition of advertising and study of customer demand. An analysis of indicators in interrelationship has made it possible to determine the capacity of stores and trade area utilization efficiency.

The investigation covered 5,300 food stores (14 percent of the overall number of self-service stores and 10.2 percent of ordinary type stores of corresponding type of specialization) and 3,200 nonfood stores (18 and 15.1 percent respectively) of the Ministry of Trade system.

Inclusion in sampling the stores of identical specialization but using different service methods has made it possible to comparatively appraise the state of trade service quality in stores, which trade in the traditional manner and on the self-service basis.

The selection of stores subject to investigation was conducted in oblasts, krays, ASSRs and republics, which do not have oblast division. Representation of every region was ensured in this manner.

The program for developing materials for the investigation provides for calculating the complex of indicators, which appraise the quality of service in trade and their interrelationship with economic efficiency indicators.

The most important group of parameters of trade service quality consisted of time spent by the population to purchase goods at retail trade enterprises, including for individual elements of expenditures.

For the purpose of organizing observation of the time expended by customers, students of higher and secondary specialized trade and economic educational institutions were enlisted, who in a period of 1 day have registered the time expended and parallel to this conducted a survey of customers of food and nonfood stores.

The time expended by the population to purchase goods was investigated according to a broad program in the territory of the entire country. The detailed structure of expended time was studied, since its composition is dissimilar. Some of the time spent is objectively necessary (time to familiarize oneself with the variety and to select goods), other expended time is inefficient and intolerable (the time spent waiting in a line to a salesperson or a cashier). The time spent by visitors to stores who made no purchases was taken into account for the first time. Their existence presupposes a repeated visit to a given store or to other trade enterprises in search of a necessary commodity. Materials of the investigation have also made it possible to judge the degree of fluctuation in the amount and structure of the time spent by customers to purchase food products according to the time of day--separately in the morning hours of store operations, daytime hours and during hours of the most intensive flow of customers (from 1700 to 1900 hours).

Thus, the aforementioned investigation has made it possible to make a comprehensive study of service quality in trade.

The high level of service in trade depends on efficient utilization of its material and technical base. The investigation results testify to existing reserves: norms in the share of trade area in the overall area of stores and setting area in the trade hall area have not been achieved.

The decisive direction in raising the quality of public trade service--introducing achievements of scientific and technical progress in trade. It was noted that not only social labor conditions of trade workers but provision of customer services and the expenditure of time to make purchases depend on the necessary quantity of latest equipment being provided to trade enterprises.

The extent of equipment of self-service stores with various kinds of equipment surpasses the extent of equipment of stores of the ordinary type: the rate of progression of cash registers is 1.4-fold higher and the share of stores which have electronic scales is almost fivefold greater. However, these advantages of self-service stores have not been used to full measure: the indicators of operating equipment in percentage to that which is available in self-service stores are lower than in ordinary type stores.

The insufficient quantity of commodities arriving in retail trade in packaged form and the low percentage of commodities arriving in specialized containers also reduce the social effect of the self-service method.

Results of the investigation have confirmed that work efficiency is higher in self-service stores: the goods turnover in self-service food stores exceeds a similar indicator in ordinary type stores by 36 percent, the purchase completion coefficient is higher by 7 percent, the structure of the time spent by customers is more efficient and the share of visitors who have appraised the level of service as satisfactory is more significant.

An optimal operating schedule of trade enterprises is one of the conditions which predetermines the state of trade service quality. It is known that in the early part of 1983 some measures were adopted to improve the conditions of service in trade. The investigation has shown that half of all baking products and dairy stores began work from 0700, which made it possible for the population to purchase baking and dairy goods before beginning work with the least expenditure of time and eliminated the need to make purchases in the evening.

The investigation has also uncovered negative aspects in the work of trade enterprises and violations of the operating schedule.

An important component part of contemporary service in trade--additional services for customers.

The level of additional services was appraised with respect to the number of additional services, coefficient of their completeness and the relative share of stores providing additional services, including a breakdown by types and volume of services. The following services were taken into account: cutout of fabric, sale of a sufficient variety of goods on advance orders, minor alteration of sewn goods, sale of semimanufactures with subsequent finishing of items in a store, home installation of complex technical items, home delivery of goods and so forth.

Measures which are carried out at trade enterprises for the purpose of studying customer demand, familiarizing customers with the quality and properties of goods and advertising items are of great significance. They include sale exhibitions, conferences with customers, consultations on the purpose and properties of goods and customer polls to study demand. Materials of the investigation have shown that the greatest activity in organizing the aforementioned measures was manifested by self-service and sample trade stores. The share of stores, which held sale exhibitions, in the overall number of stores

that were investigated is greater for the group of self-service stores than for the group of ordinary type stores by 1.8-fold; the number of sale exhibitions held on the average by a store is twice as much greater; and the share of stores which organized conferences with customers is 2.6-fold higher.

The rhythmicity of arrival of commodities in the trade network exerts a substantial influence on trade activity and the quality of trade service. An uneven arrival of commodities over a period of 1 month causes an unsound growth of physical and emotional load on every worker during individual periods of the month, and this in the final analysis reduces the quality of their labor, has a negative effect on trade service and leads to the appearance of lines.

The investigation uncovered violations of rhythmicity in the arrival of commodities. Thus during January-March of 1983, the third 10-day period accounted for 44 percent of average monthly delivery of goods in nonfood stores.

Results of the selective investigation have made it possible to appraise the quality of public trade service by retail trade enterprises with respect to a complex of indicators and also to uncover existing reserves for raising it.

The increased attention by party and soviet organs to questions of improving services for the population and the constant control over this process makes it necessary to systematically study the quality of public trade service. An investigation of trade services for the population by public dining enterprises was conducted in 1984, as a result of which information was obtained on the quality of service provided by public dining enterprises to workers, employees and students at place of work (studies) as well as in dormitories of these enterprises and educational and other institutions.

Included in the investigation were dining halls and public dining combines in industrial enterprises of 20 ministries. Service is being studied for workers in the light industry, where women are primarily employed, as well as in the heavy industry, a considerable part of whom are working under conditions of increased difficulty.

Indicators of service quality for workers and employees depending on the shift systems of industrial enterprises are being studied.

Public opinion on the level and standard of service, on the quality and variety of dishes and the possibility of purchasing semimanufactures and culinary and confectionery goods are studied on the basis of a written survey of visitors of dining halls, snack bars and so forth.

The influence of some factors on the quality of service for visitors is being studied: the size of an enterprise, the degree of plan fulfillment for the volume of output of own production and purchased commodities, the provision of enterprises with seating places, dinnerware and flatware, the existence and development of a network for the sale of semimanufactures and culinary and confectionery goods and the operating schedule.

The service provided to the population by public dining enterprises was appraised according to the average cost of one dinner, the number of dishes

sold on an average per one visitor, the number of visitors served per 1 hour of work, the time spent by visitors to be served, the level of additional service, the provision of dietary food and the existence of written complaints.

At the same time, the production quality of public dining enterprises and how much it satisfies the requirements of visitors was also investigated.

The data of the investigation will make it possible to study the extent and structure of expended time, the share that is expended inefficiently and its dependence on trade-organizational and production factors.

Additional service at public dining enterprises was taken into consideration according to the following types: delivery of dinners to place of work, sale of season tickets, advance setting of tables for dinners on advance orders and organization of service for workers in continuous production shops.

In analyzing the variety of dishes special attention was devoted to utilization of most valuable nutritious products.

At the present time, the party and government are devoting great attention to organizing service for workers at their place of work. In 1985, it is planned to conduct an investigation of the comprehensive service for workers and employees at place of work and the provision of services to them, a considerable place among which is occupied by trade services.

The results of selective investigations make it possible to study more deeply the qualitative characteristics of the process of service provided to visitors by retail trade and public dining enterprises. The existence of a large number of factors, which influence the quality of public trade service, predetermine the possibility of using methods of multivariate analysis of trade processes and building models of plural dependence of the resultant signs on the factorial. However, such research is implemented in statics. The dialectical approach to the study of socioeconomic phenomena requires an analysis of change of processes in the dynamics. A necessity arises in this connection before trade statistics of systematic study of public service quality in trade and public catering. The methodology of conducting such investigations should ensure the comparability of data.

The close link of theory and practice of trade statistics makes it possible to successfully solve the problem of obtaining reliable and extensive information, its scientifically based analysis and developing practically valuable recommendations on improving service processes in trade.

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CONSUMER SECTOR POLICY AND ECONOMICS

OUTMODED EQUIPMENT IN SEWING INDUSTRY CAUSES LABOR LOSS

Moscow IZVESTIYA in Russian 13 Nov 84 p 2

[Article by Hero of Socialist Labor V. Solov'yeva, general director of the Sewn Goods Association imeni 40-letiya VLKSM, Tiraspol, Moldavian SSR: "The Prestige of the Seamstress"]

[Text] The director of one of the best associations in light industry reflects on ways to halt the departure of personnel from branch enterprises.

We know that the population's need for high-quality, ready-made clothing is still not being completely satisfied. Many sewn-goods enterprises and associations, however, and especially the old ones, are finding it very difficult to cope with the increased planned assignments. The assignments frequently exceed the capabilities of the operation, and in order for it not to slip back into the ranks of the lagging units, it is necessary to increase the load on each worker. And wages are increasing slowly. As a result, there is a marked and ever-increasing departure of workers from the sewn-goods branch.

How can this be prevented? It would be difficult to give a simple answer to this question. It seems to me, however, that one of the main causes is the large quantity of outdated production equipment. The Soviet machine-building industry has begun setting up the production of special duplicate-action machines, combined work stations and semiautomatic equipment in recent years, to be sure, but their production is being developed extremely slowly, and the quality of the equipment produced does not measure up to today's requirements. The garment workers are receiving little highly productive equipment for the cutout and preparatory operation, where only 45 percent of all the processes have been mechanized at the present time.

The satisfactory resolution of social problems is helping us to meet the "competition" with new enterprises in other branches with a higher level of technical outfitting of production and of wages. If we are to be candid, however, we still have to say that it is becoming increasingly difficult each year to retain personnel at the enterprise. Unlike many other occupations, the seamstress is constantly tied to her work station. Throughout the entire shift she sits there, bent over, looking beneath the needle and monotonously performing the same operation over and over. All the time the seamstress is sitting at the machine she is experiencing excessive noise levels combined with vibrations.

There are those who might object and say that these factors were in effect in the past as well but that there was not such a large egress of workers. What compels regular workers (not to speak of the youth) to leave their own enterprises and go to seek their happiness, so to speak, elsewhere? This happens because of the drastically increased intensity of the work and the extensive physical and psychological stress.

I shall cite the following example as proof of this. In 1970 the output per worker in the shirt brigade was 17 units a shift. This year it has reached almost 30. In addition, the complexity of the styles has increased drastically, and greater demands are being made of the product quality. In order to lessen the tension, progressive slow production systems have been adopted, the factory specialists have developed a comprehensive system for quality and effectiveness control, and the brigade system of labor organization and wages is in effect universally. Effective as these measures have been, however, it is still a fact that the level of labor productivity is determined not just by the individual's efforts, but also by the level of technical outfitting of the enterprise.

And what is this level? Here is some official information from the production section. Almost half of the equipment in the association has been operating between 10 and 25 years. During all these years the equipment has been replaced mainly in the form of half-measures. Most of the operations are therefore performed just as they were 30 or 40 years ago and require large unjustified labor outlays. There are almost no automatic or semi-automatic equipment or combined-group flow systems.

In view of the important successes achieved by Soviet machine-building the lag in the production of sewing equipment can no longer be tolerated. Drastic steps are needed to correct the present situation. The technical re-equipment must proceed in step with scientific organization of labor at each work station. Today, however, the adoption of standard work stations is being hindered by a lack of the necessary gear. We receive only the sewing-machine heads from the factories and get the rest anywhere and anyway we can. The installation of a new machine, unfortunately, therefore does not mean that we are adopting a standard work station which meets the demands for scientific organization of labor.

One of the causes of the departure of workers from the sewn goods industry has to do with deficiencies in the existing planning system. Take just the procedure for calculating capacity. It is based on the number of work stations within a given area, the amount of time required to produce a unit of output, and a double-shift work system. As a rule, however, the number of work stations does not correspond to the actual availability of workers. For example, one of our brigades has 116 work stations. The official size of the brigade is also 116. However, these include donors, members of a volunteer militia group, people's controllers, students in night school, at teknikums and correspondence VUZ's, and other workers with extra privileges. I am not even referring to women on prenatal or postnatal leave, mothers with two or more children, who receive extra leave time, or those absent due to illness on the part of the worker or his children. More than 10 people are absent from the brigade each day for these valid and legal reasons.

If we look at the statistics, we find that 12 percent of the average official number of workers were absent for these reasons each day in 1983 alone. This amounts to 706 people, no more and no less. Their load falls upon the other workers, of course. This is why we believe that when the production volumes are planned, they should be based upon the actual work force situation, that is, they should take into account the absence of workers for reasons covered by law.

The system of planning "from the level achieved," which has been criticized more than once, increases the pressure of the work even more. The outstanding enterprises, which have used up their internal production reserves to a significant degree and have achieved the greatest possible output, suffer especially from it. Identical rates of growth for production volumes are planned each year, however, for both the outstanding enterprises and those which still have numerous unutilized reserves. Given the current poor level of technical outfitting, however, such a plan can only be fulfilled by further increasing the intensity of the work. It is a situation in which the better an enterprise performs, the more difficult it is for the collective. This conflict is not eliminated by the conversion to the large-scale economic experiment, since the norms for creating the wage fund and transfers into the material incentive funds are not made dependent upon the level of labor productivity achieved by the enterprise. It seems to me, however, that there should be a direct dependency between the absolute degree of labor productivity and wages.

Today, wages for seamstresses are the lowest of all the light industry branches. Furthermore, the rate upon which their wages are based has placed those who turn out 30 shirts per shift and those who produce half that many into the same situation. What is the solution? First of all, we must establish differentiated rates and incentives for a high level of production intensiveness and for product quality. The principle of socialist fairness about which Comrade K.Yu. Chernenko has spoken more than once, will thereby be strengthened. The idea is that there should be greater reward for more work. And not just monetary reward. Conditions should be created for the outstanding collectives to have priority with respect to the adoption of scientific and technical achievements in production, social benefits should be provided to them more generously, and rewards should be established for long service based on length of continuous employment at an enterprise.

In the situation today, unfortunately, the social benefits are enjoyed most extensively mainly by the collectives of new enterprises. The old enterprises, however, which have borne the brunt of the branch's development and have been in makeshift premises for decades, are experiencing an acute shortage of housing and are being renovated very slowly. And the people leave their enterprises to go in search of better conditions, to go where they are better paid for working under less pressure where there are better conditions for working, rest and relaxation, for their daily lives. This could be avoided, if territorial and not departmental agencies handled the job of providing workers, the construction of housing, children's establishments and other social facilities, as well as the distribution of those benefits.

I would like to mention yet another factor causing the departure of personnel from the sewn-goods branch. I refer to the delay with specialization. Take

just our region as an example. It contains several enterprises producing the very same sewn goods. Our association produces 35 types of items in six commodity groups. This forces us to set up most of the flow production systems anew 4 to 6 times a month. This takes a lot of work time, and in addition to all this the seamstresses lose earnings.

Our many years of experience has demonstrated that social, cultural and personal service matters, like production, should be managed on a scientific basis.

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